

By Mr. Loring of Acton, petition of John H. Loring and Joseph N. Hermann for legislation to require that certain contracts be written in layman's English. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT REQUIRING THAT CERTAIN CONTRACTS BE WRITTEN IN LAYMAN'S ENGLISH.

Be it enacted by the Senate and House of Representatives in General Court assembled and by the authority of the same, as follows:

1 SECTION 1. Section 1 of Chapter 259 of the General Laws, as
2 appearing in the Tercentenary Edition, is hereby amended by
3 designating the opening paragraph of said section as subdivision
4 (a) and by adding the following subdivisions: —

5 (b) Every written agreement for the lease of space to be occupied
6 for residential purposes, or to which a consumer is a party wherein
7 the money, property or service which is the subject of the transac-
8 tion is primarily for personal, family or household purposes must
9 be:

10 1. Written in non-technical language and in a clear and coherent
11 manner using words with common and everyday meanings;

12 2. Appropriately divided and captioned by its various sections.

13 Any creditor, seller or lessor who fails to comply with the
14 foregoing provisions of this subdivision shall be liable to a
15 consumer who is a party to a written agreement governed by the
16 provisions thereof in an amount equal to the sum of any actual
17 damages sustained plus fifty dollars. The total class action penalty
18 against any such creditor, seller or lessor shall not exceed ten
19 thousand dollars. These penalties may be enforced only in a court
20 of competent jurisdiction, but not after both parties to the agree-
21 ment have fully performed their obligation under such agreement,

22 nor against any creditor, seller or lessor who attempts in good faith
23 to comply with this section. This subdivision shall not apply to
24 agreements involving amounts in excess of fifty thousand dollars.

25 (c) A violation of the provisions of subdivision (b) of this section
26 shall not render any such agreement void or voidable nor shall it
27 constitute:

28 1. A defense to any action or proceeding to enforce such agree-
29 ment; or

30 2. A defense to any action or proceeding for breach of such
31 agreement.

1 SECTION 2. This act shall take effect on the first day of July in
2 the year next succeeding the year in which it shall have become a
3 law, and shall apply to contracts entered into after said date.