

By Mr. Carey of Boston, (by request), petition of the Credit Union League of Massachusetts, Inc., for legislation to increase from twenty to thirty thousand dollars the amount of first mortgages to be granted by credit unions. Banks and Banking.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Seventy-Two.

AN ACT FURTHER AMENDING THE GRANTING OF FIRST MORTGAGES IN CREDIT UNIONS.

*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 24 (B) paragraph (b), subparagraph (4) of the Gen-  
2 eral Laws, chapter 171 is amended by striking out said sub-  
3 paragraph (4) and inserting in place thereof the following  
4 subparagraph (4): —

5 (4) A credit union which is a member of Massachusetts  
6 Credit Union Share Insurance Corporation and whose shares  
7 and deposits aggregate more than two million dollars may make  
8 a mortgage loan not exceeding ninety per cent of the value of  
9 the real estate, payable not more than twenty-five years from  
10 the date of the note; provided that such loan shall not exceed  
11 thirty thousand dollars; and shall be secured by a first mort-  
12 gage on a single or two family residence occupied or to be  
13 occupied by the mortgagor in whole or in part; that the  
14 mortgagor has certified in writing that he does not require  
15 junior financing; that the credit committee has submitted an  
16 opinion in writing that the building has a useful life beyond  
17 the term said loan has to run and that the building will be  
18 completed prior to the making of any disbursement on the  
19 loan; and that the terms of the note or mortgage require  
20 monthly payments in such amounts that the aggregate principal  
21 reduction at any time during the term of the loan shall not be

22 less than that which would be required in the case of a note of  
 23 like amount and interest rate providing for complete amortiza-  
 24 tion by equal monthly payments over a period of twenty five  
 25 years. Each such monthly payments shall be applied first to  
 26 interest and the balance to the principal. Interest upon each  
 27 such loan shall be computed monthly on the unpaid balance.  
 28 The note or mortgage shall contain a provision requiring the  
 29 payment each month of a proportionate part of the estimated  
 30 real estate taxes and betterment assessments. The aggrega-  
 31 amount which any such credit union may make or acquire  
 32 under this subsection shall not exceed ten per cent of the  
 33 aggregate balance of the shares, deposits, guaranty fund, reserve  
 34 fund, and undivided earnings of such credit union.