

# HOUSE . . . . No. 2718

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, April 15, 1955.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, House, No. 2481) of James L. O'Dea, Jr., that savings banks be authorized to invest in the bonds of the New Industrial Plants Foundation of Lowell, Inc., report the accompanying bill (House, No. 2718).

For the committee,

PATRICK F. PLUNKETT.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Five.

AN ACT AUTHORIZING SAVINGS BANKS TO PARTICIPATE WITH TRUST COMPANIES AND NATIONAL BANKING ASSOCIATIONS IN MORTGAGE LOANS OF THE NEW INDUSTRIAL PLANTS FOUNDATION OF LOWELL, INC.

1 *Whereas*, The deferred operation of this act would  
2 tend to defeat its purpose, which is the encouragement  
3 and development of industry in Lowell, it is hereby  
4 declared to be emergency law necessary for the immedi-  
5 ate preservation of the public convenience.

*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. A savings bank may, in participation with  
2 one or more other savings banks or trust companies or  
3 national banking associations, invest in mortgage loans  
4 of the New Industrial Plants Foundation of Lowell, Inc.,  
5 and its successors in interest, provided that such loans  
6 may not be made other than in the classes of loans re-  
7 ferred to in chapter one hundred and sixty-eight of the  
8 General Laws, section fifty-four, clause First (a), (b), (c)  
9 and (d). The participating corporations shall enter into  
10 a written agreement, for themselves, their successors and  
11 assigns, which shall include provisions for the custody of  
12 the note and mortgage and for the servicing and fore-  
13 closure thereof. The amount of the participation of any  
14 savings bank in any such loan shall not exceed one per  
15 cent of its deposits, and the aggregate balance of princi-  
16 pal of all such participations, outstanding at any one  
17 time, shall not exceed five per cent of the total deposits  
18 of such corporation. Where, however, one or more sav-  
19 ings banks enter into a participation arrangement with

20 a trust company or national banking association, the  
21 written agreement referred to above shall provide that  
22 the custody of the note and mortgage shall remain in  
23 the possession of one of said savings banks.

1 SECTION 2. This act shall become inoperative after  
2 two years from its effective date.

