

HOUSE No. 437.

[Bill accompanying the petition of DAVID F. SLADE. Banks and Banking.]

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Ninety-six.

AN ACT

To incorporate the Fall River Collateral Loan Association.

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. John D. Flint, Thomas J. Borden,
2 William S. Greene, James F. Jackson, Chauncy H.
3 Sears, William Burgess and Clarence Buffinton their asso-
4 ciates and successors, are hereby made a corporation by
5 the name of the Fall River collateral loan association,
6 to be located at Fall River, for the purpose of loaning
7 money upon pledge or mortgage of goods and chattels
8 or of safe securities of every kind; and all the powers
9 and privileges necessary for the execution of these pur-
10 poses are granted, and said corporation shall also have
11 all the powers and privileges and be subject to all the
12 duties, restrictions and liabilities set forth in chapter one
13 hundred and five of the public statutes and in all the

14 general laws which now are or hereafter may be in force
15 in relation to such corporations.

1 SECT. 2. The capital stock of said corporation shall
2 be twenty-five thousand dollars, to be divided into shares
3 of one hundred dollars each, and to be paid for at such
4 times and in such manner as the board of directors shall
5 decide : *provided*, that no business shall be transacted by
6 said corporation until said amount of twenty-five thou-
7 sand dollars is subscribed for and actually paid in ; and
8 no certificate of shares shall be issued until the par value
9 of such shares shall have actually been paid in in cash.
10 The said corporation may increase its capital stock from
11 time to time until the same amounts to five hundred
12 thousand dollars.

1 SECT. 3. Said corporation is hereby authorized to
2 borrow money on its own notes, not exceeding the
3 amount of its capital paid in, and for periods not exceed-
4 ing one year.

1 SECT. 4. The government of said corporation shall be
2 vested in a board of directors, chosen as the by-laws may
3 prescribe, conformably to law : *provided, however*, that
4 one director shall be appointed by the governor of the
5 Commonwealth and one shall be appointed by the mayor
6 of the city of Fall River ; and the board thus constituted
7 shall elect one of their number president, and such other
8 officers as may be deemed necessary. The compensation
9 of the directors appointed by the governor and mayor
10 for their services and attendance at meetings shall be
11 paid by the association.

1 SECT. 5. When the association has disposable funds,
2 it shall loan on all goods and chattels offered, embraced

3 within its rules and regulations, in the order in which
4 they are offered, with this exception, that it may always
5 discriminate in favor of small loans to the indigent.

1 SECT. 6. All loans shall be for a time fixed, and not
2 more than one year, and the mortgagor or pledgor shall
3 have a right to redeem his property mortgaged or pledged,
4 at any time before it is sold, in pursuance of the contract
5 between the parties, or before the right of redemption is
6 foreclosed, on payment of the loan and rate of compensa-
7 tion to the time of the offer to redeem. No charges shall
8 be made for making a preliminary examination when a
9 loan is not made, nor for the examination of property
10 offered at the office of the association for pledge.

1 SECT. 7. The corporation shall give to each pledgor
2 a card inscribed with the name of the corporation, the
3 article or articles pledged, the name of the pledgor, the
4 amount of the loan, the rate of compensation, the date
5 when made, the date when payable, the page of the book
6 where recorded and a copy of sections eight and nine of
7 this act.

1 SECT. 8. Property pledged to the association must
2 be held one year, unless sooner redeemed, and if not re-
3 deemed within one year from the date of the loan shall
4 be sold at public auction, and the net surplus, after pay-
5 ing loan charges and expenses of sale, shall be held one
6 year for the owner. All auction sales shall be advertised
7 for at least one week in two daily newspapers published
8 in Fall River. In case a savings bank deposit book
9 pledged to the association shall not be redeemed as
10 above it shall not be necessary for the association to sell
11 the same at public auction, but it may convert the same,
12 or so much thereof as may be necessary to pay the debt,

13 in such mode and at such time as in the judgement of
14 the directors will best secure the interest of all parties,
15 holding the net surplus as above for the owner.

1 SECT. 9. Said association shall in no case charge
2 interest at a rate exceeding one and one-half per centum
3 per month.

1 SECT. 10. The commissioners of savings banks shall
2 have access to the vaults, books and papers of the cor-
3 poration, and it shall be their duty to inspect, examine
4 and inquire into its affairs and to take proceedings in
5 regard to them, in the same manner and to the same
6 extent as if said corporation was a savings bank, subject
7 to all the general laws which are now or hereafter may be
8 in force relating to such institutions in this regard. The
9 returns required to be made to the commissioners of
10 savings banks shall be in the form of a trial balance of its
11 books, and shall specify the different kinds of its liabili-
12 ties and the different kinds of its assets, stating the
13 amounts of each kind, together with such other informa-
14 tion as may be called for by said commissioners, in
15 accordance with a blank form to be furnished by said
16 commissioners; and these returns shall be published in a
17 newspaper of the city of Fall River, at the expense of
18 said corporation, at such times and in such manner as
19 may be directed by said commissioners, and in the annual
20 report of said commissioners: *provided, however,* that
21 said commissioners may cause any examination to be
22 made by an expert, under their direction, but at the
23 expense of the corporation.