

# HOUSE . . . . . No. 3477

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By Mr. Manning of Waltham, petition of Donald J. Manning and Paul C. Menton for legislation to regulate interest rates on home mortgages. Banks and Banking.

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## The Commonwealth of Massachusetts

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

### AN ACT LIMITING INTEREST RATES ON HOME MORTGAGES.

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

1 Chapter 140 of the General Laws is hereby amended by  
2 striking out section 90A and inserting in place thereof the  
3 following section: —

4 *Section 90A.* No person shall directly or indirectly charge,  
5 take or receive for a loan of more than fifteen hundred dollars  
6 secured wholly or partially by a mortgage of real estate having  
7 an assessed value of not over twenty-five thousand dollars,  
8 having thereon a dwelling house with accommodations for six  
9 or less separate households and occupied in whole or in part at  
10 the time the loan is made as a home by any obligor on the  
11 mortgage debt or by any person granting or releasing any  
12 interest under said mortgage, a greater rate of interest than an  
13 amount equivalent to one and one half per cent a month  
14 computed on unpaid balances, but such interest shall not ex-  
15 ceed one per cent a month after a continuing default for a  
16 total period of six months. The borrower shall have the right  
17 to anticipate his debt in whole or in part at any time without  
18 being required to pay a penalty to the lender therefor. The  
19 aggregate of the amount of money or value actually received or  
20 held at the time of the loan, plus the sum of all existing  
21 indebtedness of the borrower to the lender shall for the pur-

22 poses of this section and sections ninety B to ninety D,  
23 inclusive, be deemed the amount of the loan. Except where the  
24 borrower agrees in writing to a different application of his  
25 payments, in cases where partial payments are made, the in-  
26 terest shall be calculated to the time of payment, and such  
27 payment shall first be applied to interest, and the balance  
28 thereafter remaining, if any, shall be applied to principal.

29 The maximum interest shall include all sums paid, directly or  
30 indirectly by or on behalf of the borrower to the lender for  
31 interest, brokerage, commissions, services, extension of loan,  
32 forbearance to enforce payment or otherwise for making or  
33 securing the loan, not including, however, sums the lender may  
34 require the borrower to pay or reimburse the lender for actual  
35 recording and foreclosure costs for reasonable legal charges  
36 incurred for the examination of the title and the marketability  
37 of the security for the loan, for the drafting of the security  
38 instruments or documents, and, when such services are utilized,  
39 for collecting the debt or realizing upon the security.

40 As used in this section and in sections ninety B to ninety D,  
41 inclusive, the following words shall have the following mean-  
42 ings: —

43 “Loan”, any loan of money or goods or forbearance of  
44 money or goods of choses in action;

45 “Note”, the instrument, other than the mortgage, evidencing  
46 or containing the debt secured by the mortgage or any exten-  
47 sion or renewal of such instrument;

48 “Lender”, any person making a loan of more than fifteen  
49 hundred dollars secured by a mortgage as described in this  
50 section and shall include any legal successor to the rights of the  
51 lender;

52 “Borrower”, shall include any legal successor to the bor-  
53 rower’s rights or obligations.

54 No person more than three times in one calendar year, shall  
55 make or negotiate, or offer to make or negotiate, any loan  
56 subject to this section unless he or his broker, agent or other  
57 representative shall have first obtained a license from the com-  
58 missioner of banks. An application for a license shall be in  
59 writing, under oath, and shall be in the form prescribed by the  
60 commissioner. The application shall state the name and resi-  
61 dence and business addresses of the applicant, and if the



62 applicant is a partnership, of every member thereof, and if a  
63 corporation, of each officer and director thereof. It shall also  
64 state the address where the business is to be conducted and  
65 any other information the commissioner may require. The fee  
66 for each license shall be not less than one hundred dollars and  
67 the license year shall be the calendar year.

68 The commissioner shall, from time to time, establish rules  
69 and regulations relative to the granting of licenses and the  
70 renewal thereof, the fees to be charged therefor and the busi-  
71 ness carried on by licensees. He may, whenever he determines  
72 it to be in the public interest, investigate the affairs of a  
73 licensee and, for that purpose, shall have free access to the  
74 vaults, books and papers thereof. The commissioner may cause  
75 an examination of said books and business to be made by an  
76 accountant whom he may select, and the cost of such examina-  
77 tion shall be paid by the licensee whose books are so ex-  
78 amined.

79 The commissioner, or such other of his assistants as he may  
80 designate, may summon a licensee, or any of his agents or  
81 employees, and such other witnesses as he deems necessary,  
82 and examine them relative to their transactions, may require  
83 the production of books and papers and, for such purposes  
84 may administer oaths. Whoever, without justifiable cause, fails  
85 or refuses to appear and testify or to produce books and  
86 papers when so required, or obstructs the commissioner or his  
87 representatives in the performance of their duties, shall be  
88 punished by a fine of not more than five hundred dollars or by  
89 imprisonment for not more than six months, or both.

90 If the commissioner refuses to issue a license, he shall notify  
91 the applicant of the denial, return the sum paid by the appli-  
92 cant as a license fee, less an investigation fee of fifty dollars for  
93 each application to cover the cost of investigating the appli-  
94 cant; and within twenty days thereafter he shall enter upon his  
95 records a written decision and findings containing the reasons  
96 supporting the denial, and shall forthwith give written notice  
97 thereof by registered mail to the applicant. Within thirty days  
98 after the date of such notice the applicant may appeal from  
99 such denial to the superior court for the county of Suffolk,  
100 sitting in equity. The court shall hear all pertinent evidence and  
101 determine the facts, and upon the facts as so determined

102 review said denial and, as justice and equity may require,  
103 affirm the same or order the commissioner to issue such  
104 license.

105 A license may be suspended or revoked by the commissioner  
106 on the following grounds: — (1) material misstatement in appli-  
107 cation for license; (2) failure to comply with the provisions of  
108 this chapter; (3) defrauding any borrower to the borrower's  
109 damage; (4) fraudulent misrepresentation, circumvention or  
110 concealment by the licensee through whatever subterfuge or  
111 device of any of the material particulars or the nature thereof  
112 required to be stated or furnished to the borrower under this  
113 section; (5) the existence of any fact or condition which, if it  
114 had existed at the time of the original application for such  
115 license, clearly would have warranted the commissioner in re-  
116 fusing to issue such license.

117 If a licensee is a corporation, it shall be sufficient cause for  
118 the suspension or revocation of its license that any officer or  
119 director of a licensed corporation, or any member of a licensed  
120 partnership, has so acted or failed to act as would be cause for  
121 suspending or revoking a license to such party as an individual.  
122 Each licensee shall be responsible for the acts of any of his  
123 employees while acting as his agent, if such licensee after actual  
124 knowledge of said acts retained the benefits, proceeds, profits  
125 or advantages accruing from said acts or otherwise ratified said  
126 acts.

127 No license shall be suspended or revoked except after hear-  
128 ing thereon by the commissioner or such of his assistants as he  
129 may designate. The commissioner shall give the licensee at least  
130 ten days' written notice, in the form of an order to show  
131 cause, of the time and place of such hearing by registered mail  
132 addressed to the principal place of business in this common-  
133 wealth of such licensee. The said notice shall contain the  
134 grounds of complaint against the licensee. Any order suspend-  
135 ing or revoking such license shall recite the grounds upon  
136 which the same is based. The order shall be entered upon the  
137 records of the commissioner and shall not be effective until  
138 after thirty days' written notice thereof given after such entry  
139 forwarded by registered mail to the licensee at such principal

140 place of business. No revocation, suspension or surrender of  
141 any license shall impair or affect the obligation of any lawful  
142 note or mortgage acquired previously thereto by the licensee.  
143 Within thirty days after such suspension or revocation the  
144 person aggrieved thereby may appeal to the superior court for  
145 the county of Suffolk, sitting in equity. The court shall hear all  
146 pertinent evidence and determine the facts, and upon the facts  
147 as so determined review said suspension or revocation and, as  
148 justice and equity may require, affirm the same or order that  
149 the commissioner rescind it.

150 This section and sections ninety B to ninety D, inclusive,  
151 shall not apply to a loan secured by a first mortgage on real  
152 estate.

1. The water supply for the city of New York is derived from the Catskill Mountains, which are situated to the north and west of the city. The water is conveyed to the city through a system of aqueducts and tunnels.

2. The water is treated at the Croton Water Filtration Plant, which is located in the town of Croton, in Westchester County. The water is filtered through a series of sand and gravel filters, and then through a layer of activated carbon.

3. The water is then pumped to the city through a system of pipes and tunnels. The water is distributed to the city through a network of streets and alleys.

4. The water is used for a variety of purposes, including drinking, bathing, and irrigation. The water is also used for industrial purposes, such as manufacturing and power generation.

5. The water supply for the city of New York is a vital resource, and it is important to ensure that it is clean and safe for consumption. The city has a long history of investing in water infrastructure, and it continues to do so today.

6. The water supply for the city of New York is a complex system, and it is important to understand how it works. The water is collected from the Catskill Mountains, treated at the Croton Water Filtration Plant, and then pumped to the city through a system of pipes and tunnels.

7. The water is distributed to the city through a network of streets and alleys. The water is used for a variety of purposes, including drinking, bathing, and irrigation. The water is also used for industrial purposes, such as manufacturing and power generation.

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By Mr. [Name], of [State], [Title], [Text]

The [Title]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

Section 1. [Text]

Section 2. [Text]

Section 3. [Text]

Section 4. [Text]

Section 5. [Text]

Section 6. [Text]

Section 7. [Text]

