

HOUSE No. 2325

By Mr. Moore of Uxbridge, petition of Richard T. Moore for legislation to clarify certain provisions relative to the statute of fraud in certain credit agreements. The Judiciary.

The Commonwealth of Massachusetts

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

AN ACT CLARIFYING CERTAIN PROVISIONS REGARDING THE STATUTE OF FRAUDS.

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 259 of the General Laws, as appearing in the 1990
- 2 Official Edition, is hereby amended by adding after section 7 a
- 3 new section 8: —
- 4 Any credit agreement shall be void and unenforceable unless
- 5 such agreement is in writing, signed by the party to be charged
- 6 therewith, or by some other person authorized. For the purpose
- 7 of this section, the term “credit agreement” means a covenant,
- 8 promise, undertaking, commitment, or other agreement by a bank
- 9 or other financial institution to (a) lend money, (b) forbear from
- 10 collecting or exercising any right to collect debt, or (c) otherwise
- 11 extend credit. “Credit agreement” also includes agreeing to take
- 12 or not take certain actions by a bank or other financial institution
- 13 in connection with an existing or prospective credit agreement.
- 14 This section shall only apply to credit agreements where the
- 15 amount of the credit or loan exceeds fifty thousand dollars.

