

M.G.L.A. 107 § 3

§ 3. Rate of interest

If there is no agreement or provision of law for a different rate, the interest of money shall be at the rate of six dollars on each hundred for a year, but, except as provided in [sections seventy-eight, ninety, ninety-two, ninety-six](#) and [one hundred of chapter one hundred and forty](#), it shall be lawful to pay, reserve or contract for any rate of interest or discount. No greater rate than that before mentioned shall be recovered in a suit unless the agreement to pay it is in writing.

M.G.L.A. 271 § 49

§ 49. Criminal usury

(a) Whoever in exchange for either a loan of money or other property knowingly contracts for, charges, takes or receives, directly or indirectly, interest and expenses the aggregate of which exceeds an amount greater than twenty per centum per annum upon the sum loaned or the equivalent rate for a longer or shorter period, shall be guilty of criminal usury and shall be punished by imprisonment in the state prison for not more than ten years or by a fine of not more than ten thousand dollars, or by both such fine and imprisonment. For the purposes of this section the amount to be paid upon any loan for interest or expenses shall include all sums paid or to be paid by or on behalf of the borrower for interest, brokerage, recording fees, commissions, services, extension of loan, forbearance to enforce payment, and all other sums charged against or paid or to be paid by the borrower for making or securing directly or indirectly the loan, and shall include all such sums when paid by or on behalf of or charged against the borrower for or on account of making or securing the loan, directly or indirectly, to or by any person, other than the lender, if such payment or charge was known to the lender at the time of making the loan, or might have been ascertained by reasonable inquiry.

(b) Whoever, with knowledge of the contents thereof, possesses any writing, paper, instrument or article used to record a transaction proscribed under the provisions of paragraph (a) shall be punished by imprisonment in a jail or house of correction for not more than two and one half years, or by a fine of not more than five thousand dollars, or by both such fine and imprisonment.

(c) Any loan at a rate of interest proscribed under the provisions of paragraph (a) may be declared void by the supreme judicial or superior court in equity upon petition by the person to whom the loan was made.

(d) The provisions of paragraph (a) to (c), inclusive, shall not apply to any person who notifies the attorney general of his intent to engage in a transaction or transactions which, but for the provisions of this paragraph, would be proscribed under the provisions of paragraph (a) providing any such person maintains records of any such transaction. Such notification shall be valid for a two year period and shall contain the person's name and accurate address. No lender shall publicly advertise the fact of such notification nor use the fact of such notification to solicit business, except that such notification may be revealed to an individual upon his inquiry. Illegal use of such notification shall be punished by a fine of one thousand dollars. Such records shall contain the name and address of the borrower, the amount borrowed, the interest and expenses to be paid by the borrower, the date the loan is made and the date or dates on which any payment is due. Any such records shall be made available to the attorney general for the purposes of inspection upon his request. Such records and their contents shall be confidential but may be used by the attorney general, or any district attorney with the approval of the attorney general, for the purposes of conducting any criminal proceeding to which such records or their contents are relevant.

(e) The provisions of this section shall not apply to any loan the rate of interest for which is regulated under any other provision of general or special law or regulations promulgated thereunder or to any lender subject to control, regulation or examination by any state or federal regulatory agency.

M.G.L.A. 140 § 96

§ 96. Small loan business

No person shall directly or indirectly engage in the business of making loans of six thousand dollars or less, if the amount to be paid on any such loan for interest and expenses exceeds in the aggregate an amount equivalent to twelve per cent per annum upon the sum loaned, without first obtaining from the commissioner of banks, in sections ninety-six to [one hundred and fourteen](#), inclusive, called the commissioner, a license to carry on the said business in the town where the business is to be transacted. When an application for a loan or for an endorsement or guarantee or for the purchase of a note is made by any person within this commonwealth, and the money is advanced or the endorsement or guarantee is made or furnished by any person without this commonwealth, the transaction shall be deemed a loan made within this commonwealth, and such a loan and the parties making it shall be subject to sections ninety-six to [one hundred and thirteen](#), inclusive. The buying or endorsing of notes or the furnishing of guarantee or security for compensation shall be considered to be engaging in the business of making small loans within said sections, but the foregoing provisions of this sentence shall not apply in the case of any transaction which involves any note or other instrument evidencing the indebtedness of a buyer to the seller of goods, services or insurance for a part or all of the purchase price; provided, however, that any advance of money by such seller or, by a person acting on his behalf for the purpose of paying an existing indebtedness of such buyer or for any other purpose shall constitute a loan of money subject to the provisions of this section. For the purposes of said sections, the amount to be paid upon any loan of six thousand dollars or less for interest or expenses shall include all sums paid or to be paid by or on behalf of the borrower for interest, brokerage, recording fees, commissions, services, extension of loan, forbearance to enforce payment, and all other sums charged against or paid or to be paid by the borrower for making or securing directly or indirectly the loan, and shall include all such sums when paid by or on behalf of or charged against the borrower for or on account of making or securing the loan, directly or indirectly, to or by any person, other than the lender, if such payment or charge was known to the lender at the time of making the loan, or might have been ascertained by reasonable inquiry. Any person directly or indirectly engaging, for a fee, commission, bonus or other consideration, in the business of negotiating, arranging, aiding or assisting the borrower or lender in procuring or making loans of six thousand dollars or less, for which the amount paid or to be paid for interest and expenses, including all amounts paid or to be paid to any other party therefor, exceeds in the aggregate an amount equivalent to twelve per cent per annum, whether such loans are actually made by such person or by another party, shall be deemed to be engaged in the business of making small loans, and shall be subject to sections ninety-six to [one hundred and twelve](#), inclusive. If, after all deductions or payments, whether on account of interest, expenses or principal made substantially contemporaneously with the making of the loan, the amount retained by the borrower be six thousand dollars or less, the transaction shall be deemed to be a loan in the amount of the sum so retained by the borrower after such deductions or payments, notwithstanding that the loan be nominally for a greater sum.

This section shall not apply to loans that are subject to [section 90A](#) or [section 28B of chapter 183](#).

The provisions of this section and [sections ninety-six A to one hundred and fourteen A](#), inclusive, shall apply only to loans made primarily for personal, family or household purpose; provided, however, that the provisions of this section and said [sections ninety-six A to one hundred and fourteen](#), inclusive, shall not apply to loans to any student, or to any parent, legal guardian or sponsor of a student, made by any nonprofit, public or independent post-secondary educational institution within the commonwealth authorized by law to grant degrees, by the commonwealth or by any agency or instrumentality thereof; and provided, further, that such institutions may not take, receive, reserve, or charge interest, expenses and other consideration for making or securing a loan of six thousand dollars or less in excess of those permitted by [section one hundred](#), except in the event of prepayment or refinancing, in whole or in part, of any existing loans by such institution to any such student, or to any such parent, legal guardian or sponsor of a student, which refinancing or prepayment occurs within eighteen months of the date such loan was made.

Credits

Amended by St.1934, c. 179, § 2; St.1941, c. 158, § 1; St.1956, c. 689, § 2; St.1959, c. 136, § 1; St.1962, c. 795, § 1; St.1967, c. 190; St.1980, c. 264, § 1; St.1982, c. 356, § 26A; St.1984, c. 463, § 10; [St.1987, c. 186](#); [St.2000, c. 50, § 1](#).

M.G.L.A. 140 § 114B

§ 114B. Finance charges on open end credit accounts; maximum rates; computation

Notwithstanding the provisions of [sections ninety A, one hundred](#), and [one hundred and fourteen A](#), a creditor may charge a daily, monthly or other periodic rate of finance charge on loans made pursuant to any open-end credit plan as defined by [section one of chapter one hundred and forty D](#), equivalent to but not in excess of eighteen percent determined in accordance with paragraph (2) of subsection (a) of section five of said chapter one hundred and forty D; provided, however, that no finance or other charge shall begin to accrue until the date upon which payment has been made by the creditor on any transaction under any such open-end credit plan; and, provided further, that if the index rate for any calendar quarter, as hereinafter determined, exceeds eighteen percent, the creditor may, during such calendar quarter, charge such daily, monthly or other periodic rate or rates as may be established by such creditor. The commissioner of banks shall determine as of the computation dates of December first, March first, June first and September first of each year, and not later than one business day after each such computation date, the index rate for the succeeding calendar quarter beginning January first, April first, July first and October first, respectively. The index rate determined on each computation date for the following calendar quarter shall be the number determined by doubling the average of the rates established and announced, as the auction average on a discount basis, for United States Treasury bills with maturities of ninety-one days at the auctions held during the three calendar months preceding the computation date. At the option of the creditor, the periodic rate that a creditor charges on an account may be adjusted to reflect a change in the index rate either on the first day of the respective calendar quarter or on the first day of the first billing cycle of the account immediately following such date; provided, however, that any limitation on finance charges imposed under this section shall remain in effect for three months from the date so chosen. A finance charge not in excess of fifty cents for a monthly or longer billing cycle or the pro rata part of fifty cents for a billing cycle shorter than monthly may be assessed if the finance charge otherwise assessable is less than fifty cents. For the purpose of this section, a billing cycle shall be considered to be monthly if the billing dates are on the same day of each month or do not vary by more than four days therefrom. A creditor may, pursuant to an open-end credit plan, charge, receive and collect a delinquency charge on any payment not paid in full within fifteen days of its due date in an amount equal to ten percent of the outstanding balance or ten dollars, whichever is less; provided, however, that no such delinquency charges shall be charged, received or collected unless the creditor, at least thirty days prior thereto, shall have mailed a notice informing its borrowers of the change in terms of such plan providing for the charging, receiving and collecting of a delinquency charge and disclosing the amount of such delinquency charge that may be imposed as part of said open-end credit plan.

In addition to disclosures of such rate required by chapter one hundred and forty D, the commissioner of banks shall have the authority to promulgate regulations requiring additional disclosures by creditors concerning periodic rate, other costs of credit, and any other additional features of the agreement.

A finance charge imposed on a transaction subject to this section but not subject to the provisions of the first paragraph of section twenty of chapter one hundred and forty D shall be computed on (i) the previous balance after deducting all payments on account received by the creditor during the cycle and all credits to the account during the cycle applicable to any transaction

reflected in the previous balance; or (ii) the average daily balance determined by adding the daily balances on the account for each day in the billing cycle and dividing the total by the number of days in the billing cycle; or (iii) daily balances. Any such delinquency charge shall not be included in the computation of said finance charge.

Credits

Added by St.1972, c. 783, § 1. Amended by St.1973, c. 273, § 1; St.1974, c. 13; St.1981, c. 384, § 1; St.1982, c. 332, § 2; St.1984, c. 489, § 1; St.1986, c. 566, § 1; [St.1989, c. 181](#); [St.1993, c. 151, §§ 43, 44](#); [St.1996, c. 129, § 1](#).