

HOUSE No. 890

The Commonwealth of Massachusetts

PRESENTED BY:

Kay Khan, (BY REQUEST)

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act declaring full disclosure on an application for a loan.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>David Snieckus</i>	<i>99 Crescent Street Newton, MA 02466</i>	<i>1/14/2015</i>

HOUSE No. 890

By Ms. Khan of Newton (by request), a petition (accompanied by bill, House, No. 890) of David Snieckus relative to disclosures on applications for loans. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act declaring full disclosure on an application for a loan.

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

1 An Act Declaring Full Disclosure on an Application for a Loan.

2 Be it enacted by the Senate and the House of representatives in General Court
3 assembled, and by the authority of the same, as follows:

4 Massachusetts General Laws, Section 4 of Chapter 167E, as appearing in the
5 2012 Official Edition, is hereby amended by inserting after subsection (c) a new subsection:-

6 (d) All banks and other lending institutions in the Commonwealth must fully disclose to a
7 perspective buyer what’s involved in a loan application and subsequent loan. The application
8 must be in simple plain language, language that the least educated of the parties can understand.
9 At the closing of a mortgage loan, the actual lender of the loan money must be specifically
10 identified. The lender must also provide a written disclosure called “full disclosure of money
11 creation.” It will explain that the money lent is just an entry in the lender’s ledger that serves as
12 “new money” in the economy. This disclosure will be printed on a different color paper than the

13 rest of the closing document brought to the attention of the so-called borrower. They are to be
14 provided time to read it and signed that they have read it at the bottom. At the closing of a
15 mortgage loan, the actual lender of the loan money must be specifically identified.

16

17 SECTION 1. SHORT TITLE

18 This Act may be Cited as the “Full Disclosure for a Loan Act of 2015”.

19 SECTION 1A. A full revamping of the Application for a Loan and Loan must begin.

20 SECTION 2: CURRENT FINDINGS.

21 1. Perspective buyers of homes fill out and sign an application for a loan without
22 knowing that it is their own credit that is the “new” money for the economy.

23 2. That fact is explained in the Bank of England’s Spring 2014 Quarterly Report:
24 Money Creation in the Modern Economy.

25 3. A signed Application for a Loan is deceptive. The signature changes the status of
26 the signer. It turns the unknowing sovereign individual into a debtor.

27 4. A signed Application for a Loan adheres the perspective buyer to rules and
28 regulations that are wordy, deceptive and unfamiliar to them.

29 5. A signed Application for a Loan is a contract for a loan that is illegal.

30 6. At the Registry of Deeds only one signature is on the Mortgage document. That is
31 not a legal document.