

**HOUSE . . . . . No. 3954**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Michelle M. DuBois***

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*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 regulating certain mortgages.**

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PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>1/20/2023</i>

**HOUSE . . . . . No. 3954**

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By Representative DuBois of Brockton, a petition (accompanied by bill, House, No. 3954) of Michelle M. DuBois relative to shared appreciation mortgage loans. Financial Services.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
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An Act regulating certain 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 167E of the General Laws is hereby amended by adding the following section:-

2 Section 17. (a) A bank may make or acquire a shared appreciation mortgage loan,  
3 pursuant to a program for shared appreciation mortgage loans which has been submitted to and  
4 approved by the commissioner, to the owner of real estate improved with a dwelling designed to  
5 be occupied by not more than 4 families; provided, however, that the owner shall occupy the  
6 mortgaged real estate in whole or in part.

7 (b) For the purposes of this section, the term “shared appreciation mortgage loan” shall  
8 mean a mortgage loan containing an agreement between the mortgagor and the holder of the  
9 mortgage loan that provides for the holder to share in the appreciation of the value of the  
10 residential property upon sale of the residential property in exchange for a reduced interest rate  
11 or principal amount of the mortgage loan for the mortgagor. For purposes of this section, the  
12 appreciation of the residential property shall be measured as the difference, if positive, between

13 the gross sales proceeds of the sale of the residential property and the value of the residential  
14 property at the time of the closing of the shared appreciation mortgage loan, as determined by an  
15 appraisal by a state-certified general real estate appraiser or a state-certified residential real estate  
16 appraiser as defined by section 178 of chapter 112.

17 (c) The terms of the shared appreciation mortgage loan shall contain the following  
18 restrictions:

19 (i) the holder of the shared appreciation mortgage loan shall not be entitled to more  
20 than 25 per cent of the appreciation value; and

21 (ii) the term of the shared appreciation mortgage loan shall not exceed 10 years.

22 (d) The commissioner shall promulgate regulations necessary to carry out this section.