



January 2025

Dear Massachusetts Banking Leader,

And, just like that, it's over! A session that started with a new Governor, grand legislative promises, joint committee battles, and more, officially gaveled-out in the early morning hours of December 31st, but not before sending an additional 122 bills to Governor Healey's desk. While most of the last-minute action was legislation of the local-level variety, the Association was there for it all keeping a close eye on several measures as the finish line approached. So, as we begin our path into the 194th General Court of the Commonwealth of Massachusetts (the 2025-2026 Legislative Session), which began on January 1, we thought a quick recap of the 2023-2024 Legislative Session through the eyes of the industry was due.

All in all, more than **10,000** bills were introduced in the 2023-2024 Legislative Session. Of those bills, the Association tracked over **500** bills related to the banking industry and submitted **over 100** pieces of testimony on the industry's behalf.

This Session, **the Association was successful in advocating the Legislature to pass legislation that:**

- Allows [Remote Online Notarization](#) (RON), which authorizes commissioned notaries to provide services using audio and/or video technology **and** includes [an Association-driven industry exemption](#) to the expansion of the unauthorized practice of law (UPL) statute.
- Updates statute to reduce the burden for mortgagors by updating current statute to [allow for the use of video and telephone conferencing](#) for third party counseling before the closing of a reverse mortgage loan.
- Establishes a regulatory structure for nonbank domestic [money transmission](#) in the Commonwealth.

Importantly, **the Association was also successful in stopping legislation that would have:**

- Created a [state-run public bank](#);
- Allowed Massachusetts credit unions to [acquire community banks](#);
- Permitted Massachusetts credit unions to [secure public deposit authority](#);
- Allowed municipalities to implement a [transfer tax on certain real estate transactions](#);

- Delayed the conveyancing of real estate throughout Massachusetts by guaranteeing a [tenant's right of first refusal](#).
- Significantly changed the statutes governing the [excess deposit insurance fund](#) for the credit union industry in Massachusetts, just to highlight a few.

The Association also **successfully advocated** the Massachusetts Division of Banks to issue an [opinion authorizing the use of reciprocal deposit programs by Massachusetts Banks](#).

The Association is proud of the collective positive impact our membership provides on behalf of the industry, which was, in large part, due to your expert counsel and advocacy on the many issues facing the industry. Thank you for your continuous support.

The 2025-2026 Legislative Session promises to be another busy two years. We are grateful for your assistance and look forward to our continued partnership as we work to ensure the Massachusetts banking industry remains strong for years to come.

Sincerely,



Brad S. Papalardo, Esq.

Senior Vice President,

Chief of Government Affairs & Counsel

MBA Legislative Program Review

The Association introduced ten (10) bills on behalf of the industry as part of our [2023-2024 Legislative Program](#). Each bill is listed with a corresponding short summary, which can be seen below. We are pleased that Governor Maura Healey signed our bill related to Remote Online Notarization (RON) into law in 2023. We plan to refile the bills that did not pass in the 2023 – 2024 Legislative Session for the 2025-2026 Legislative Session and, as always, welcome your input on other potential legislative filings that assist the industry.

Passed

REMOTE ONLINE NOTARIZATION (RON): An Act modernizing notary services

Bill #: [S. 943/ H. 1525](#)

Status: Signed by Gov. Healey, [Chapter 2 of the Acts of 2023](#)

RON is a modern form of notarization that allows anyone to appear before a commissioned notary using audio/video technology. RON is designed with a multi-layered approach to fraud prevention, using technology not available in the traditional paper-based process, including having the document signer be identified through at least two forms of identity proofing and an A/V recording

of a signing would be created by employing tamper-evident technologies to secure electronic records.

Utilizing RON, a notary can provide services to individuals located anywhere in the state without leaving home or an office. The bill aims at making it easier for notaries who speak multiple languages to provide services to the thousands of residents in the Commonwealth who may not speak English - a critical tool to assist in the completion of important financial and other personal transactions. Currently, 42 other states have adopted RON.

Please Note: As of the date of publication for this review, the Massachusetts Secretary of State's Office has yet to promulgate relevant regulations. Further updates will be reflected on www.massbankers.org and announced in various Association communications.

Legislation to Refile

ELECTRONIC PROPERTY RECORDINGS: An Act relative to uniform real property electronic recordings

Bill #: [H. 1405](#)

This piece of legislation aims at implementing the Uniform Real Property Electronic Recording Act (URPERA) to facilitate electronic lending in the Commonwealth. The Uniform Real Property Electronic Recording Act (URPERA) allows local recording offices to accept deeds and other property records in electronic form. The act is technology-neutral and allows for Massachusetts to determine recording standards based on current best practices.

BANK NAME PROTECTION: An Act protecting the use of bank names, trade names and trademarks in electronic communications

Bill #: [H. 954](#)

Revises the Commonwealth's "Use of Bank Name" statute to reflect changes in technology and customer communications. Proposed language aims to modernize the current prohibitions on unlawful use of bank names to include communications and solicitations in electronic mail, text messages, websites and more.

"MINI" MODERNIZATION BILL: An Act amending the banking laws and related statutes

Bill #: [H. 955](#)

This legislation addresses several issues in its 16 sections. Among the bill's provisions are:

- Changes to the state's public deposits statutes, including authorizing the use of collateralized deposits or insured cash sweep programs for public funds;
- Language codifying the authority of the Commissioner of Banks to allow state-chartered institutions to hold virtual annual meetings during a state of emergency;
- Technical changes to the Limited Purpose Trust Company statute;

- Provisions streamlining the Commonwealth’s High Cost Loan statute to reflect changes in federal law and the regulations of the federal Consumer Financial Protection Bureau (CFPB); and
 - Provisions prohibiting core processors from including excessive penalties in service contracts.
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BANK ROBBERIES AND CHECK FRAUD: An Act enhancing the safety of bank customers & employees

Bill #: [S. 1117/H. 1419](#)

Establishes new definitions of and increases certain penalties for crimes against banks, including bank robberies, passing fraudulent checks and debit card transactions. This bill expands the definition of bank robbery under

Chapter 265 to include note passers. The bill also facilitates the consolidation of check fraud that occurs in multiple court jurisdictions to a single jurisdiction.

CREDIT UNION FIELD OF MEMBERSHIP & MISSION: An Act enhancing the mission of credit unions and promoting fair competition among financial institutions

Bill #: [H. 1097](#)

Over the last several years, Massachusetts credit unions have expanded their powers through changes to state law and federal regulation. In particular, the National Credit Union Administration’s (NCUA) expansive rulemakings regarding membership, business lending and the low-income designation have encouraged many credit unions to move away from their core mission as member-driven institutions serving individuals of modest means.

The proposed legislation contains four (4) sections and includes language from H 1065 from the 2019-2020 legislative session that establishes new requirements for credit union membership by-law amendments. Specifically, the membership vote is increased from a majority to three-quarters and at least five percent of the credit union’s total membership must participate in the vote. In addition, in most cases membership by-law amendments must be considered at a credit union’s annual meeting.

To facilitate greater member participation in these votes, the bill also mandates that all state-chartered credit unions with more than 25,000 members provide the option for members to vote by electronic means at any special or annual meeting. The bill also refocuses state-chartered credit unions on their traditional mission by enhancing the Community Reinvestment Act (CRA).

BANK MODERNIZATION TECHNICAL CORRECTIONS: An Act making changes to certain references in the banking laws of the Commonwealth

Bill #: [H. 1078](#)

This legislation updates other existing provisions of the General Laws to reflect the proper cites of

statutory cross references in the revised banking laws after the enactment of Chapter 482 of the Acts of 2014. Other technical updates and corrections to the General Laws are also included in the bill.

RESTRICTING PATENT TROLLS: An Act to protect innovation and entrepreneurship in the Commonwealth

Bill #: [H. 277](#)

The proposed legislation creates a new Chapter 93L, Bad Faith Assertions of Patent Infringement that establishes a private right of action for Massachusetts businesses against patent trolls. The legislation defines a broad range of assertions of patent infringement and creates standards by which the assertion of patent infringement could be found to be in bad faith. These include demand letters that do not include necessary information; the letter requests the payment of a license fee or response within an unreasonably short period of time; or the offers to license the patent for an amount that is not based on a reasonable estimate of the value of the license, among others. The Attorney General is also given enforcement authority for the new Chapter.

DATA SECURITY STANDARDS: An Act relative to the security of personal financial information

Bill #: [H. 281](#)

This bill imposes strong data security standards modeled on the Gramm-Leach-Bliley data security requirements that banks and other financial firms must adhere to on non-financial entities that use or store sensitive personal financial information. The legislation also deletes the language in Massachusetts law, (Chapter 93 H) that currently prohibits a bank from informing its customers of the nature of the breach who caused the breach or the number of residents affected.

RUFADAA: Revised Uniform Access to Digital Assets Act

Bill #: [S. 974/ H. 1641](#)

The Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA) governs access to a person's online accounts when the account owner dies or can no longer manage the account. Under the legislation, the powers of a fiduciary, such as the executors of a decedent's estate, trustees, conservators, and agents under a power of attorney, are extended to include management of digital assets. Specifically, the bill allows fiduciaries to manage digital property like computer files, web domains, and virtual currency, but restricts a fiduciary's access to electronic communications such as email, text messages, and social media accounts unless the original user consent- ed to fiduciary access in a will, trust, power of attorney, or other record. More than 40 other states have adopted RUFADAA.

New Association-Sponsored Legislation

In addition to the pieces of legislation mentioned above, the Association plans to file new legislation that would provide financial literacy to Massachusetts students, protect elders and vulnerable populations from financial fraud and ruin, and curtail the current practice known as “trigger leads.”

The text of these bills will be made available as soon as possible.

Major Bills Passed with Association Input

Affordable Homes Act

[H.4977](#) – An Act relative to the Affordable Homes Act

The bill authorizes roughly \$5.16 billion in bonding to support the production and rehabilitation of Massachusetts housing stock — highlights include \$2 billion for rehabilitation of state-aided public housing, including hazardous materials abatement and accessibility for those with disabilities; \$800 million to capitalize the Affordable Housing Trust Fund to support affordable housing production, prioritizing decarbonization, as well as a variety of programs to assist first time home-buyers; \$425 million for grants and loans through the Housing Stabilization and Investment Trust Fund for the preservation, construction or rehabilitation of affordable housing, including for those earning 30% or less of area median income; \$275 million for innovative, sustainable and green housing initiatives; \$200 million for grants and loans through the Housing Innovations Trust Fund; \$175 million for HousingWorks infrastructure program; \$100 million for the Middle-Income Housing Fund administered by MassHousing; and almost \$426 million for local housing initiatives.

Additionally, the outside sections allow for accessory dwelling units (ADUs) by right in single family zoning districts; direct EOHLC to develop and implement a comprehensive housing plan at least every 5 years; create an Office of Fair Housing to support fair housing enforcement efforts; establish a Massachusetts Healthy Homes Program, and an associated fund, tasked with coordinating with state agencies and nonprofits to create healthier environments for residents, including by providing grants to support housing unit habitability and lead remediation; create new tax credits to support homeownership development projects and the conversion of commercial properties for residential use; allow for the sealing of eviction records; outline procedures for the sale or lease of surplus state property to facilitate housing development; rewrite provisions governing the registration of land in land court; double the value of the Massachusetts Historic Rehabilitation Tax Credit, and extend it through 2030; and create several new special commissions tasked with developing policy recommendations on affordable and healthy senior housing, housing for those with extremely low incomes, and accessibility in housing for those with disabilities.

The final housing bill **does not** include language that would have granted each municipality the ability to impose a real estate transfer tax on high-dollar real estate transactions – a provision the Association, alongside other business groups, opposed.

In part, of note, H.4977 includes:

- Purchaser’s Right to Inspection (Section 45)

- Foreclosure Mediation Pilot Program (Section 129)

In part, of note, H 4977 does NOT include:

- A Tenant Right of First Refusal (as previously present in House Bill)
- A Municipal Tenant Right of First Refusal (as previously present in Senate Bill)
- Crumbling Concrete Assistance Fund (as previously present in Senate Bill)

The Association submitted testimony to the conference committee in support of or opposed to several policies. To read our testimony, [click here](#).

Economic Development

[H.5100](#) - An Act relative to strengthening Massachusetts' economic leadership

In November 2024, Governor Healey signed the \$3.96 billion economic development bill and contains capital authorizations to support a variety of economic development initiatives, with a particular focus on continued investment in the climate and life sciences sectors. Major investments include \$580 million for the Massachusetts Life Sciences Breakthrough Fund, \$400 million for the MassWorks infrastructure program, \$252.5 million for capital grants for large, transformational projects through a 'Mass Impact' program, \$200 million for the the Clean Energy Investment Fund, \$200 million for the Massachusetts Offshore Wind Industry Investment Trust Fund, \$150 million for grants for local library projects, \$133 million for the Scientific and Technology Research and Development Matching Grant Fund, \$864.5 million for local economic development projects, and numerous other items.

There are several sections in the bill, which we wanted to highlight for your reference:

Section 53 – Massachusetts Development Finance Agency Board Makeup

- Section 53 refers to the Massachusetts Development Finance Agency, which is a public instrumentality with the authority to issue PACE bonds for approved commercial projects. Section 53 of the economic development bill amends the existing statute relative to the makeup of the Agency's 13-member Board to specifically add 1 representative of a Massachusetts community bank to the Board along with the 1 representative with experience in banking or investment banking.

Section 266 – Exchange Traded Funds (ETF) Modernization – [Association Supported](#)

- This section would modernize Massachusetts law to align with recommended guidance from the National Association of Insurance Commissioners (NAIC) on how insurance companies treat fixed income exchange traded funds (ETFs) for accounting purposes. The House adopted identical legislation in 2022.

Section 269 – Shared Appreciation Mortgages – [Association Supported](#)

- Section 269 ensures continued access to Shared Appreciation Mortgages (“SAM”). These products are important tools used by local nonprofits who provide financial relief for Massachusetts families in hopes of preserving homeownership and preventing foreclosures.

Section 303 – Payments Study Commission – Concerning but Association has a seat on Commission

- Section 303 would establish a “commission to study the future of payments and sales transactions by credit card and other forms of payment and the impacts for small businesses in commonwealth.” The Association will have a designated seat on the commission and will work to secure more industry-friendly seats to provide more balance to the group. The conference report is not due until the end of 2025.

Money Transmission Regulation Legislation

[H.4840](#), An Act relative to the regulation of money transmission by the Division of Banks

This voluminous and highly technical 44 page bill strikes out the entirety of [GL c.169](#) (Receipts of Deposits for Transmittal to Foreign Countries) and replaces it with an entirely new Chapter 169B (The Money Transmission Act). This new act appears to harmonize the rules on money transfers with federal rules and the rules in other states and jurisdictions. The Act defines many new terms, like “acting in concert,” “authorized delegate,” “average daily money transmission liability,” and so forth. In particular, the bill:

- Establishes that a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person is licensed under this chapter, and sets forth the various licensing requirements for doing business under the chapter;
- Sets forth a number of exceptions to where the Act does not apply, such as payments system operators, entities appointed as agents of payees, intermediaries processing payments, and more;
- Details the authority of the Commissioner of Banks to administer, interpret, and enforce the chapter, to enter into agreements, use analytical systems, accept reports, and impose fees;
- It also outlines the confidentiality of certain information and records, with some exceptions;
- Authorizes the commissioner to participate in multistate supervisory processes, cooperate with other regulators, and share information;
- The Commissioner is authorized to implement licensing provisions consistently with other states and may participate in nationwide protocols for licensing cooperation;
- Authorizes the Commissioner to establish relationships with entities like NMLS for record-keeping, coordination, processing fees, and communication;

- Establishes that persons seeking to acquire control of a licensee must file a notice with the Commissioner; who is authorized to investigate acquisitions of control to ensure they meet requirements;
- Establishes that licensees must maintain a tangible net worth that is the greater of \$100,000 or a percentage of their total assets, with the required percentages vary based on the total assets held:
 - o 3% of total assets for the first \$100 million;
 - o 2% of additional assets for \$100 million to \$1 billion;
 - o 0.5% of additional assets for over \$1 billion;
- Establishes that applicants for a money transmission license and licensees must maintain a security bond, and that the amount of the bond is determined based on a formula that considers the licensee's average daily money transmission liability;
- Lists various permissible investments, including cash, certificates of deposit, U.S. obligations, standby letters of credit, and more;
- Establishes various other requirements related to banking and money transfers.

The Association submitted testimony in support of this bill, which can be [found here](#).

Federal Home Loan Bank Legislation

H.4905 – An Act relative to certain loans by the Federal Home Loan Bank

- Adds new provisions to GL c.175 (Insurance) with respect to the rights of a federal home loan bank. In particular, the bill establishes that No person can be prevented from exercising or enforcing any right or cause of action under any agreement or arrangement involving a federal home loan bank for more than ten days; No receiver, rehabilitator, liquidator, or any other person can avoid any transfer of money or property arising from an agreement or arrangement with a federal home loan bank, regardless of whether it was made before or after a delinquency proceeding; A federal home loan bank must repurchase any outstanding capital stock of an insurer-member that exceeds the required minimum investment within seven days of receiving a redemption request, provided that the repurchase is permissible under federal laws and regulations and consistent with the bank's capital stock practices; Within ten days of the appointment of a receiver, rehabilitator, or liquidator in a proceeding involving an insurer-member of a federal home loan bank, the bank must provide a process and timeline for the release of collateral, repayment of loans, payment of fees, and redemption or repurchase of stock as agreed upon by the parties; The federal home loan bank must offer available options for an insurer-member to renew or restructure a loan upon the request of a receiver, rehabilitator, or liquidator, taking into account market conditions, loan terms, bank policies, and applicable laws and regulations. Please note that the Commonwealth of Massachusetts cannot regulate the behaviors of a federal institution under the federal preemption doctrine.

The Association submitted testimony in support of this bill, which can be [found here](#).

Note: *The bill summaries provided above were generated by the Association's legislative tracking service with additional notes made by the Massachusetts Bankers Association government affairs team.*

Additional Bills Tracked

As mentioned above, the Association tracked over 500 bills throughout the 2023-2024 Legislative Session. To review an exhaustive list of the tracked legislation, [click here](#).

Thank you again for your continued support of the Massachusetts Bankers Association.

We look forward to representing the industry for another great session in 2025-2026!