



May 20, 2022

Via Email: Karen.Spilka@masenate.gov

The Honorable Karen Spilka
President
Massachusetts Senate
State House, Room 332
Boston, MA 02133

RE: Proposed Amendments to S 4, an Act Making Appropriations for the Fiscal Year 2023 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth for interest, sinking fund and serial bond requirements and for certain permanent improvements

Dear President Spilka:

On behalf of the Massachusetts Bankers Association's (MBA) more than 120 commercial, savings and cooperative banks and federal savings institution members with 72,000 employees located throughout the Commonwealth and New England, we are writing to express our views on several amendments to S 4, An Act making appropriations for the fiscal year 2023 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements.

Our views on these amendments are detailed below:

Support Amendments #3 and #188: Crumbling Foundations

Amendments #3 and #188, which were filed by Senator Anne Gobi (D-Spencer), provide important relief to homeowners in central and western Massachusetts whose properties may be affected by faulty concrete which contains the mineral pyrrhotite. The existence of this mineral can cause these foundations to deteriorate and crumble, leaving the homeowner with almost no choice but to spend their own funds to pour a new foundation for their property.

Amendment #3 mandates that all quarries in Massachusetts must be tested for the presence of pyrrhotite to help ensure that homeowners are not faced with the crumbling foundation issue in the future. Amendment #188 provides \$50,000 in funding for the Department of Professional Licensure to manage a program reimbursing homeowners for a portion of the cost of having their foundations tested for pyrrhotite. This funding will help more homeowners in the affected areas get their foundations tested. MBA respectfully asks that you support these amendments.

Support Amendment #638: Student Financial Literacy

Several years ago, Massachusetts banks and banks across the nation recognized the substantial need to provide financial education services to many audiences, but especially students. Our Association and dozens of Massachusetts banks have actively participated in programs with local schools such as Savings Makes Sense created by the State Treasurer, the FDIC Money Smart Program, *JumpStart*, operating branches in local high schools and the *Credit Smarts* program initiated by the Office of Consumer Affairs, among others.

While financial literacy education has been voluntarily offered for decades, it has not been an integral part of most public-school curriculum, usually just offered in economics or related classes, if at all. Unfortunately, financial literacy programs many times depend on the initiative of a local teacher or principal. Nationally, at least twenty-one (21) states require students to take a course in financial literacy to graduate from high school

while at least forty (40) require financial literacy standards for grades 9-12. States across the nation, despite severe fiscal and time challenges, recognize the importance of incorporating financial literacy curriculum into K-12 education and we believe the Senate should support Amendment #638 to add Massachusetts to this growing list. We urge you to vote in favor of this important amendment.

Oppose Amendment #208: Receivership Authorization for Nonprofits

MBA has concerns with Amendment #208, which appears to allow nonprofit entities to purchase properties directly out of receivership without the receiver foreclosing on the property. While there may be limited circumstances where a local nonprofit organization could purchase and renovate homes that are in the receivership process, the amendment gives substantial new powers to the courts to allow sales of properties in receivership without going through the traditional foreclosure process.

Specifically, it is unclear how the title is transferred, the property is valued or under what parameters a court could decide to effectuate the sale. In addition, there is no language detailing how the proceeds of the sale will be distributed or if the property owner retains any right to reside in the property during the receivership. There also appear to be only limited protections for the homeowner, mortgagee or other lienholders in this process.

For example, the language states that “with notice to the owner, mortgagee, and all interested parties, may allow for the sale of the property to a nonprofit entity for fair market value in its then current condition” without defining what type of and how the notice must be provided. Under the amendment, a property could also be sold only 30 days after the notice is provided – which leaves owners with little opportunity to bring their property up to code.

MBA believes that these policy concerns must be addressed to ensure that the rights of property owners, mortgagees and other lienholders continue to be protected in the state’s receivership process. We urge you to oppose Amendment #208.

Conclusion

Thank you for considering our views on these proposed amendments to S 4, An Act making appropriations for the fiscal year 2023 for the maintenance of the departments, boards, commissions, institutions and certain activities of the commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements. If you have any questions or need additional information, please contact us at any time.

Sincerely,



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