

THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 948 Session of  
2003

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INTRODUCED BY ARMSTRONG, BROWNE, COLEMAN, CREIGHTON, FRANKEL,  
GEIST, JAMES, LAUGHLIN, R. MILLER, REICHLEY, ROHRER, SATHER,  
SAYLOR, SHANER, SOLOBAY, THOMAS AND YOUNGBLOOD,  
MARCH 21, 2003

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REFERRED TO COMMITTEE ON COMMERCE, MARCH 21, 2003

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AN ACT

1 Regulating the amount of property insurance coverage required by  
2 certain lenders.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Mortgage  
7 Property Insurance Coverage Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall  
10 have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 "Lender." A bank, savings bank, savings and loan  
13 association, credit union, mortgage bank, mortgage broker,  
14 finance company, consumer discount company or other financial  
15 institution or person that lends money to a borrower and secures  
16 the loan by a mortgage given by the borrower on real property or  
17 by placing a lien against real property.

1 "Property insurance coverage." Real property insurance  
2 against losses caused by perils that commonly are covered in  
3 insurance policies described with terms similar to "standard  
4 fire" or "standard fire with extended coverage."

5 Section 3. Restriction.

6 No lender may require a borrower, as a condition of obtaining  
7 or maintaining a secured loan, to obtain property insurance  
8 coverage which exceeds the replacement value of buildings and  
9 structures situate on the land used to secure the loan. A  
10 borrower on a loan secured by real property may not be required  
11 to insure the value of the land.

12 Section 10. Effective date.

13 This act shall take effect immediately.