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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 925 Session of  
2009

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INTRODUCED BY HANNA, BOYD, CARROLL, CONKLIN, FABRIZIO,  
FAIRCHILD, FRANKEL, GEIST, HALUSKA, KORTZ, KOTIK, MAHONEY,  
MCGEEHAN, MURT, PALLONE, SIPTROTH, K. SMITH, SOLOBAY AND  
WHITE, MARCH 13, 2009

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REFERRED TO COMMITTEE ON INSURANCE, MARCH 13, 2009

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AN ACT

1 Regulating the amount of flood insurance coverage required by  
2 persons purchasing mortgages from 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 Flood  
7 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 "Flood insurance coverage." Flood insurance covering owner-  
13 occupied private residential properties against losses caused by  
14 floods.

15 "Lender." Any bank, savings bank, savings and loan  
16 association, credit union, mortgage bank, mortgage broker,  
17 finance company, consumer discount company or other financial

1 institution or person that lends money to a borrower and secures  
2 the loan by a mortgage given by the borrower on real property or  
3 by placing a lien against real property.

4 Section 3. Restriction.

5 No person who purchases a mortgage from a lender may require  
6 the borrower, as a condition of maintaining the secured loan, to  
7 obtain flood insurance coverage which exceeds the amount  
8 required by the lender at the time during which the loan was  
9 originated.

10 Section 4. Effective date.

11 This act shall take effect immediately.