

SECONDARY MORTGAGE LOAN ACT - AMEND LICENSEES' RECORDS

Act of Jul. 2, 1992, P.L. 387, No. 82

CL. 07

Session of 1992

No. 1992-82

HB 2166

AN ACT

Amending the act of December 12, 1980 (P.L.1179, No.219),
entitled "An act to define and regulate secondary mortgage
loans and providing penalties," further providing for scope
of act and for licensees' records.

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

Section 1. Sections 10(c) and 20 of the act of December 12,
1980 (P.L.1179, No.219), known as the Secondary Mortgage Loan
Act, amended July 7, 1989 (P.L.222, No.36), are amended to read:

Section 10. Licensee requirements: records; reports;
examinations; receipts; information to be
furnished borrower.

* * *

(c) The licensee's accounting records must be constructed
and maintained in compliance with generally accepted accounting
principles and all of the aforementioned instruments, documents,
accounts, books and records shall be kept separate and apart
from the records of any other business conducted by the licensee
and shall be preserved and kept available for investigation or
examination by the secretary for at least two years after a
secondary mortgage loan has been paid in full , **but in the case
of an open-end loan the two-year period is measured from the
date of each entry** . The provisions of this section shall not
apply to any instrument, document, account, book or record which
is assigned, sold or transferred to another secondary mortgage
loan licensee nor shall the two-year requirement apply to an
instrument or document which must be returned to the borrower at
the time a secondary mortgage loan is paid in full.

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Section 20. Scope of act.

(a) The provisions of this act shall apply to any secondary
mortgage loan (except loans secured by real property made
pursuant to a license issued under any other law of this
Commonwealth) which:

(1) is negotiated, offered, or otherwise transacted
within this Commonwealth, in whole or in part, whether by the
ultimate lender or any other person;

(2) is made or executed within this Commonwealth; or

(3) notwithstanding the place of execution, is secured
by real property located in this Commonwealth.

(b) Notwithstanding subsection (a), the secretary may
license a branch office in a state contiguous to Pennsylvania,

provided that the licensee maintains a principal place of business in this Commonwealth which is licensed under the provisions of this act.

(c) Nothing contained in this act shall prohibit any licensee from closing any loans made under the provisions of this act in the offices of attorneys-at-law licensed by and located in this Commonwealth or of title insurance companies or agencies licensed by and located in this Commonwealth[, if an employee of the licensee is present at the closing of any loan which is closed pursuant to the provisions of this subsection].

Section 2. This act shall take effect immediately.

APPROVED--The 2nd day of July, A. D. 1992.

ROBERT P. CASEY