

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2098

Session of
1984

INTRODUCED BY F. E. TAYLOR, L. E. SMITH, OLASZ, PISTELLA,
PRESTON, SEVENTY, STEIGHNER, CAPPABIANCA, KASUNIC, GALLEN,
GRIECO, HERMAN, DORR, BURD, J. L. WRIGHT AND MAIALE,
APRIL 30, 1984

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, APRIL 30, 1984

AN ACT

1 Amending the act of October 28, 1966 (1st Sp.Sess., P.L.55,
2 No.7), entitled "An act defining, regulating and relating to
3 retail installment contracts for all goods and services
4 except certain motor vehicles and home improvements;
5 prescribing the requirements of such contracts and
6 limitations on the enforcement thereof; and providing
7 remedies and penalties," reenacting provisions relating to
8 service charges; and making a repeal.

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

11 Section 1. Sections 501(a) and (b) and 904(a) of the act of
12 October 28, 1966 (1st Sp.Sess., P.L.55, No.7), known as the
13 Goods and Services Installment Sales Act, amended March 25, 1982
14 (P.L.199, No.68), are reenacted to read:

15 Section 501. (a) A seller may, in a retail installment
16 contract, contract for and, if so contracted for, the holder
17 thereof may charge, receive and collect a service charge
18 measured for a period between the date of such contract and the
19 due date of the last installment and calculated for that period
20 according to the actuarial method of computation or by

1 application of the United States rule at a rate which does not
2 exceed the equivalent of eighteen percent (18%) simple interest
3 per annum.

4 (b) Notwithstanding the rates provided for in this section,
5 no issuer of a credit card primarily engaged as a seller or
6 distributor of gasoline shall be permitted to charge, receive or
7 collect a service charge in excess of fifteen percent (15%)
8 simple interest per annum on unpaid balances.

9 * * *

10 Section 904. Subject to the other provisions of this article
11 the seller or holder of a retail installment account may charge,
12 receive and collect the service charge authorized by this act.
13 The service charge shall not exceed the following rates computed
14 on the outstanding balances from month to month:

15 (a) On the outstanding balance, one and one-half percent (1
16 1/2%) per month.

17 * * *

18 Section 2. Section 12 of the act of March 25, 1982 (P.L.199,
19 No.68), entitled "An act amending the act of October 28, 1966
20 (1st Sp.Sess., P.L.55, No.71), entitled 'An act defining,
21 regulating and relating to retail installment contracts for all
22 goods and services except certain motor vehicles and home
23 improvements; prescribing the requirements of such contracts and
24 limitations on the enforcement thereof; and providing remedies
25 and penalties,' further providing for applicability of the act,
26 for the contents of contracts, for a certain notice of claims or
27 defenses, for judgments, for service charges and certain fees
28 and eliminating the duty of the Department of Banking to supply
29 rate charts to retail sellers and finance agencies," is
30 repealed.

1 Section 3. This act shall take effect immediately.