
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 587 Session of
1995

INTRODUCED BY TRELLO, GEIST, FLICK, OLASZ, PRESTON, PESCI,
YOUNGBLOOD, TIGUE, BATTISTO, VAN HORNE, HENNESSEY, ROONEY,
COLAFELLA, DeLUCA, JAROLIN, THOMAS, RAYMOND, FARGO, BELFANTI,
LAUGHLIN AND FAJT, FEBRUARY 7, 1995

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
FEBRUARY 7, 1995

AN ACT

1 Amending the act of May 9, 1986 (P.L.165, No.53), entitled, "An
2 act requiring banks and other lending institutions to notify
3 the mortgagor when the mortgage has been paid," requiring
4 lending institutions holding mortgages for real estate to
5 forward certain real estate tax bills; and providing for a
6 limited penalty.

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

9 Section 1. Section 1 of the act of May 9, 1986 (P.L.165,
10 No.53), entitled, "An act requiring banks and other lending
11 institutions to notify the mortgagor when the mortgage has been
12 paid," is amended to read:

13 Section 1. Notice requirement.

14 A bank, savings bank, savings and loan association or other
15 lending institution holding a residential mortgage shall send
16 written notification by first class or certified mail to the
17 mortgagor when the mortgage has been fully paid. Any moneys
18 remaining in any escrow account established for the payment of

1 taxes or insurance premiums shall be returned within 30 days to
2 the mortgagor.

3 Section 2. The act is amended by adding a section to read:

4 Section 1.1. Notices for real estate taxes.

5 (a) General rule.--In the event that any bill for real
6 estate taxes has been addressed to and received by a bank,
7 savings bank, savings and loan association or other lending
8 institution holding a mortgage on residential real property, it
9 shall be the duty of the bank, savings bank, savings and loan
10 association or other lending institution within 30 days after
11 the final payment is made on the mortgage, if this final payment
12 coincides with the expiration of the term of the mortgage, to:

13 (1) Advise, by certified mail, all taxing bodies which
14 had been sending tax bills to the lending institution the
15 following information:

16 (i) That the mortgage is now satisfied.

17 (ii) That, effective the date of this notice, all
18 future tax bills should be sent to the owner.

19 (iii) Of the last known address of the property
20 owner.

21 (2) Advise the property owner, by certified mail, either
22 separately or as part of the notice required in section 1:

23 (i) That it has informed the taxing bodies of the
24 change of address for future tax bills, including
25 advising the property owner of the address supplied for
26 that property owner by the lending institution.

27 (ii) That it shall be the responsibility of the
28 property owner to pay all taxes on the real property from
29 this time forward.

30 (iii) Of the name of each taxing body to which real

1 estate taxes are due and the approximate date when the
2 next bill should be expected to be received.

3 (b) Forwarding of tax bill.--In the event that any bank,
4 savings bank, savings and loan association or other lending
5 institution receives a tax bill for any residential real
6 property on which it formerly held a mortgage and for which it
7 was required to comply with the provisions of subsection (a), it
8 shall forward the tax bills by certified mail, not more than 30
9 days after receipt of the bill but not less than ten days prior
10 to the first applicable due date of the bill, to the last known
11 address of the property owner. Failure to forward the tax bill
12 to the last known address of the property owner within the time
13 period set forth shall subject the bank, savings bank, savings
14 and loan association or other lending institution to the payment
15 of any additional tax, including penalty and interest, and any
16 loss of discount on the tax directly caused by receipt of the
17 tax bill by the property owner after the applicable due date.

18 Section 3. This act shall take effect in 60 days.