

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2312 Session of  
1998

INTRODUCED BY COLAFELLA, DeWEESE, SATHER, READSHAW, TIGUE,  
SHANER, OLASZ, MUNDY, DeLUCA, WALKO, BELARDI, SANTONI,  
YOUNGBLOOD, ITKIN, STABACK, MELIO, BELFANTI, CORPORA, STERN,  
SCRIMENTI, DALLY, LAUGHLIN, WOJNAROSKI, BATTISTO, EACHUS,  
DALEY, C. WILLIAMS, HENNESSEY, MANDERINO, SEYFERT, BOSCOLA,  
RAMOS, M. COHEN, LUCYK, TRELLO, GIGLIOTTI, JOSEPHS,  
WASHINGTON, THOMAS AND MAHER, MARCH 11, 1998

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,  
MARCH 11, 1998

AN ACT

1 Amending the act of January 30, 1974 (P.L.13, No.6), entitled  
2 "An act regulating agreements for the loan or use of money;  
3 establishing a maximum lawful interest rate in the  
4 Commonwealth; providing for a legal rate of interest;  
5 detailing exceptions to the maximum lawful interest rate for  
6 residential mortgages and for any loans in the principal  
7 amount of more than fifty thousand dollars and Federally  
8 insured or guaranteed loans and unsecured, noncollateralized  
9 loans in excess of thirty-five thousand dollars and business  
10 loans in excess of ten thousand dollars; providing  
11 protections to debtors to whom loans are made including the  
12 provision for disclosure of facts relevant to the making of  
13 residential mortgages, providing for notice of intention to  
14 foreclose and establishment of a right to cure defaults on  
15 residential mortgage obligations, provision for the payment  
16 of attorney's fees with regard to residential mortgage  
17 obligations and providing for certain interest rates by banks  
18 and bank and trust companies; clarifying the substantive law  
19 on the filing of and execution on a confessed judgment;  
20 prohibiting waiver of provisions of this act, specifying  
21 powers and duties of the Secretary of Banking, and  
22 establishing remedies and providing penalties for violations  
23 of this act," further defining "residential mortgage."

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

1       Section 1.   The definition of "residential mortgage" in  
2   section 101 of the act of January 30, 1974 (P.L.13, No.6),  
3   referred to as the Loan Interest and Protection Law, amended  
4   April 6, 1979 (P.L.15, No.4), is amended to read:

5       Section 101.   Definitions.--As used in this act:

6       \* \* \*

7       "Residential mortgage" means an obligation to pay a sum of  
8   money in an original bona fide principal amount of [fifty  
9   thousand dollars (\$50,000)] one hundred thousand dollars  
10   (\$100,000) or less, evidenced by a security document and secured  
11   by a lien upon real property located within this Commonwealth  
12   containing two or fewer residential units or on which two or  
13   fewer residential units are to be constructed and shall include  
14   such an obligation on a residential condominium unit.

15       \* \* \*

16       Section 2.   This act shall take effect in 60 days.