AN ACT

Amending Titles 7 (Banks and Banking) and 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in Title 7, providing for short-term loan protection; and, in Title 18, further providing for deceptive or fraudulent business practices and providing for unlicensed short-term lending.

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

Section 1. Title 7 of the Pennsylvania Consolidated Statutes is amended by adding a chapter to read:

CHAPTER 51

SHORT-TERM LOAN PROTECTION

Subchapter

A. Preliminary Provisions
B. Nature and Effect of Short-Term Loans
C. Administrative and Licensure Provisions
D. Miscellaneous Provisions
SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

5101. Scope of chapter.

5102. Definitions.

§ 5101. Scope of chapter.

This chapter relates to consumer short-term loan protection.

§ 5102. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:


"Applicant." A person that applies for a license under this chapter.

"Check." A check as that term is defined in 13 Pa.C.S. § 3104(f) (relating to negotiable instrument) which is drawn on a depository institution.

"Consumer." An individual who applies for or is the recipient of a short-term loan.

"Deferment period." The term of a loan or the number of days a licensee agrees to defer depositing or presenting a repayment mechanism, as the context may require.

"Department." The Department of Banking of the Commonwealth.

"Depository institution." A person authorized to accept deposits in accordance with Federal or State law.

"Gross monthly income." Wages or commissions received by a consumer in the 30-day period immediately preceding the date of the consumer's application for a loan or as otherwise determined by the Department of Banking.

"Licensee." A person licensed by the Department of Banking.
under this chapter.

"Loan." A short-term loan.

"Loan agreement." A signed written agreement between a
licensee and a consumer.

"Person." An individual, association, joint venture or
joint-stock company, partnership, limited liability company,
limited partnership, limited partnership association, business
corporation or any other group of individuals, however
organized.

"Repayment mechanism." Any method agreed to by a consumer
which a licensee may use to effect repayment of a loan,
including a present-dated or postdated check, electronic debit
or assignment of a future deposit.

"Short-term lender." A person who, as principal or agent,
markets, negotiates, arranges, places, makes, services, holds or
originates short-term loans for consumers for a fee, finance
charge or other consideration. The term includes a short-term
lender who acquires a short-term loan from another short-term
lender by purchase or assignment.

"Short-term loan." A loan or advance of money or credit to a
consumer by a short-term lender that, for a fee, finance charge
or other consideration, does all of the following:

(1) Accepts a check or other repayment mechanism from
the consumer.

(2) Agrees to hold the check or repayment mechanism for
a deferment period.

(3) Pays to the consumer a cash advance, a locally
cashable check, debit card or money order or credits to the
consumer's account the amount of the check less finance
charges permitted under section 5113 (relating to authorized
finance charges and loan verification costs). The term includes any arrangement in which a person pays a cash advance to a consumer in return for a repayment mechanism and a fee, finance charge or other consideration.

"Short-term loan business." A person is deemed to be engaged in the short-term loan business in this Commonwealth if that person, in the ordinary course of its business, advertises, causes to be advertised, solicits, negotiates or arranges, offers to make, makes, services or holds a short-term loan in this Commonwealth, whether directly or through any other person acting for his benefit.

"Tangible net worth." Net worth less all of the following:

(1) That portion of assets pledged to secure obligations of any person other than that of the applicant.

(2) Any asset due from officers or stockholders of the applicant or related companies in which the applicant's officers or stockholders have an interest.

(3) That portion of the value of any marketable security, listed or unlisted, not shown at lower of either cost or market.

(4) Any investment shown on the applicant's balance sheet in the applicant's joint ventures, subsidiaries, affiliates or related companies which is greater than the value of the assets at equity.

(5) Goodwill.

(6) The value placed on insurance renewals, property management contract renewals or other similar intangibles of the applicant.

(7) Organization costs of the applicant.

(8) Any real estate held for investment where
development will not start within two years from the date of its initial acquisition.

(9) Any leasehold improvements not being amortized over the lesser of the expected life of the asset or the remaining term of the lease.

SUBCHAPTER B

NATURE AND EFFECT OF SHORT-TERM LOANS

Sec.

5111. License requirements.

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5129. Licensee duty to offer credit counseling.

5129.1. ANTI-MONEY LAUNDERING REQUIREMENTS.
§ 5111. License requirements.

(a) General rule.--No person may market, service, arrange, make, hold, originate, extend, contract or negotiate, whether electronically or by other means, a short-term loan to an individual who resides in this Commonwealth or, if the person has a place of business in this Commonwealth, to any individual regardless of his residence, without first obtaining a license from the department under this chapter and otherwise complying with all of the provisions of this chapter.

(b) Exemptions.--

(1) Except as provided under paragraph (2), this chapter shall not apply to depository institutions. To the extent permissible under Federal and State law, a depository institution may make short-term loans in accordance with the terms and interest rates, fees and charges authorized by this chapter, but shall not otherwise be subject to this chapter.

(2) A licensee that is an agent of a depository institution for the purpose of brokering short-term loans made by a depository institution shall be subject to all provisions of this chapter except those provisions related to finance charges and loan terms. This paragraph shall be limited to the brokering of short-term loans that are made and held by a depository institution.

§ 5112. Loan agreement requirements.

(a) General rule.--Each loan shall be documented by a loan agreement which shall contain all of the following:

(1) The name and address of the consumer.

(2) The transaction date and a prominently labeled transaction number.

(3) The amount of the loan or advance.
(4) A statement of the total amount of finance charges charged, expressed both as a dollar amount and an annual percentage rate.

(5) A specific date for the end of the deferment period or extended payment plan.

(6) The name, address and telephone number of the licensee and the name and title of the individual employee who signs the loan agreement on behalf of the licensee.

(7) An itemization of the fees to be paid by the consumer.

(8) Disclosures required by the Truth in Lending Act (Public Law 90-321, 15 U.S.C. § 1601 et seq.), regardless of whether the Truth in Lending Act applies to the particular loan.

(9) A clear description of the consumer's payment obligations under the loan and a clear description of the repayment mechanism agreed to by the licensee and the consumer.

(10) A clear description of the consumer's right to request an extended payment plan under section 5125 (relating to extended payment plan).

(11) Disclosure in boldface print and in at least ten-point type indicating the maximum loan amount and finance charge.

(12) Disclosure in boldface print and in at least ten-point type indicating the restrictions on multiple loans provided for under this chapter.

(13) Disclosure in boldface print and in at least ten-point type indicating the consumer's right of rescission under this chapter. The disclosure of the consumer's right of rescission...
rescission shall be set forth immediately above the
consumer's signature line and shall state as follows:

This transaction is not meant to meet long-term financial
needs and should be used only to meet short-term cash
needs. You have the right to rescind this transaction at
any time before the lender's close of business on the
next business day after the transaction date shown above.
In order to rescind, you must return all of the loan
proceeds you received to the lender. The lender will
refund to you all fees if you rescind this transaction.

(14) Any other information as the department may
require.

(a.1) Deferment period.--A deferment period may not be less
than 14 days or in excess of 60 days and shall include at least
one regular installment of income for the consumer. The
deferment period shall be calculated from the date of the loan
agreement.

(b) Limitations.--A loan agreement, or any other document or
instrument signed by the consumer in connection with the loan,
shall not contain any of the following:

(1) A mandatory arbitration clause that does not comply
with the standards set forth in the statement of principles
of the National Consumer Disputes Advisory Committee of the
American Arbitration Association in effect on the effective
date of this section.

(2) A hold harmless clause for the benefit of the
licensee.

(3) A confession of judgment clause.

(4) A waiver by the consumer of any contractual right or
any provision of this chapter.

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§ 5113. Authorized finance charges and loan verification costs.

(a) Authorized finance charges.--A licensee may impose a finance charge for each loan made by the licensee to a consumer which may not exceed $0.125 per $1.00 of the short-term loan. The finance charge shall be deemed fully earned as of the date of the short-term loan transaction, unless the consumer rescinds the loan under section 5114(b) (relating to maximum amount of loans, terms of loans and right of rescission). A licensee may impose only fees and charges authorized under this chapter in connection with a short-term loan.

(b) Verification fee.--A licensee may charge and receive a verification fee in an amount not to exceed $5 for a loan or a renewal made under this chapter. The verification fee shall be used in part to defray the costs of submitting a compliance system inquiry as provided under section 5115 (relating to prohibitions) and for the Commonwealth Consumer Credit Counseling Account under section 5127 (relating to Commonwealth Consumer Credit Counseling Account).

(c) Required remittance of fees.--

(1) A licensee shall remit all of the following monthly:

(i) Fifty cents per loan transaction to the Commonwealth Consumer Credit Counseling Account for the agency to pay for costs to provide consumer budget and credit counseling.

(ii) A fee up to fifty cents per loan transaction, as determined by the department, to a compliance system provider for the purpose of determining outstanding loans and repayment dates provided under section 5115.

(iii) One dollar and fifty cents per loan transaction, plus any difference in the fee determined by
the department for the services of the compliance system provider provided under section 5115(f)(1) (relating to prohibitions) and the amount established under subparagraph (ii) to the department.

(2) A licensee may not charge a consumer and shall not be required to remit to a compliance system provider any amounts related to the compliance system until the department has selected the compliance system provider as required under section 5115(f)(1). The fees required to be remitted under this subsection may be delivered to and disbursed by the compliance system provider, as determined by the department.

§ 5114. Maximum amount of loans, terms of loans and right of rescission.

(a) General rule.--A licensee may not make a loan to a consumer in an amount that would result in the consumer having outstanding loans to one or more licensee in excess of the lesser of $1,000 or 25% of the consumer's gross monthly income at any time. The licensee shall maintain records evidencing the consumer's gross monthly income as required under section 5136(a)(2) (relating to licensee and compliance system provider requirements).

(a.1) Consumer report.--

(1) A short-term lender may request, at no cost to the consumer, a borrower's consumer report from a consumer reporting agency as part of the short-term lender's underwriting process.

(2) A short-term lender may rely on the consumer report:

(i) As a permissible method of verifying the borrower's monthly gross income in making the short-term loan.
(ii) In underwriting and making subsequent short-
term loans to the same customer if the report was
obtained within the previous 12 months.

(3) As used in this subsection, the following words and
phrases shall have the meanings given to them in this
paragraph unless the context clearly indicates otherwise:
"Consumer report." As defined in 15 U.S.C. § 1681a(d)
(relating to definitions; rules of construction).
"Consumer reporting agency." As defined in 15 U.S.C. §
1681a(f).

(b) Right to rescind.--

(1) A consumer may rescind a loan before the licensee's
close of business on the next business day immediately
following the day on which the loan proceeds were received by
the consumer.

(2) In order to rescind a loan, a consumer shall notify
the licensee of the consumer's desire to rescind the loan and
return to the licensee, at the time of giving notice, the
proceeds of the loan received by the consumer from the
licensee under section 5117 (relating to form of loan
proceeds).

(3) No finance charge or other charge or fee may be
charged or collected by the licensee if a loan is rescinded.

(4) Upon rescission of a loan, the licensee shall return
to the consumer any check given to the licensee in connection
with the loan or shall agree in writing that any other
repayment mechanism shall not be utilized.

(c) Completed transaction.--A loan transaction shall be
completed when the licensee receives payment in full of the loan
or the consumer redeems the repayment mechanism being held by
the licensee by paying the full amount represented by the repayment mechanism to the licensee. The consumer may repay a loan at any office of the original licensee or the assignee of the licensee at the consumer's election.

§ 5115. Prohibitions.

(a) General rule.--A licensee shall not knowingly make a loan to a consumer who has an existing loan with the licensee or any other licensee if the aggregate amount of all loans outstanding to the consumer exceeds the maximum amount permitted under section 5114(a) (relating to maximum amount of loans, terms of loans and right of rescission) or who has entered into an extended payment plan under section 5125 (relating to extended payment plan) which has not yet been paid in full. A consumer may not have loans outstanding from more than two licensees at any one time.

(b) (Reserved).

(c) (Reserved).

(d) Verification.--A consumer shall verify in writing at the time of entering into a loan transaction:

(1) That the consumer does not have a loan outstanding from any licensee, the aggregate amount of all loans which exceeds the maximum loan amount permitted under section 5114(a).

(2) That the consumer has not entered into an extended payment plan under section 5125 which has not yet been paid in full.

(3) The date of repayment of the consumer's last loan, if applicable.

(e) Confirmation.--A licensee shall confirm the accuracy of the verification required under subsection (d) by all of the
(1) A query of the licensee's own records.

(2) A query of the compliance system under subsection (f)(1).

(f) Procedure to determine outstanding loans and repayment dates.---

(1) The department shall engage a third-party provider capable of developing, implementing and maintaining a compliance system, at no cost to the department, with real time access for reporting of loan transactions and verifying the information required under subsection (a).

(2) Licensees shall report to the compliance system information determined by the department to be necessary to verify the number and amount of loans a consumer has outstanding with any licensee, the date of repayment of a consumer's last loan and if a consumer has entered into an extended payment plan.

(g) Prohibited location.---The location of a short-term loan business may not be within 1,000 feet of any of the following:

(1) A racetrack or other nonprimary location where thoroughbred or harness horse race meetings are conducted, respectively, with pari-mutuel wagering in accordance with the act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.

(2) A licensed facility at which slot machine gaming is conducted under 4 Pa.C.S. Pt. II (relating to gaming).

(3) A military installation or a facility operated by the United States Department of Veterans Affairs.

§ 5116. (Reserved).
§ 5117. Form of loan proceeds.

(a) General rule.--A licensee shall disburse the proceeds of a loan to the consumer in the form of an immediately and locally cashable check, money order, cash, debit card or credit to the consumer's account at a depository institution.

(b) Prohibition.--A licensee may not impose a fee for cashing the licensee's check or money order or for otherwise effecting the disbursement of loan proceeds.

(c) Same day loan.--Upon repayment of a loan, a licensee may not make or offer a loan to the consumer on the same day that the consumer repays the loan.

§ 5118. Endorsement of check.

A licensee may not negotiate or present a check for payment of a loan unless the instrument is endorsed with the actual business name or registered fictitious name of the licensee.

§ 5119. Redemption of repayment mechanism.

Prior to the licensee's negotiating or presenting a consumer's check or utilizing any other repayment mechanism, the consumer shall have the right to redeem the check or any other repayment mechanism if the consumer pays the full amount of the check or other repayment mechanism to the licensee.

§ 5120. Authorized charge for dishonored repayment mechanisms.

(a) General rule.--If a consumer's repayment mechanism is dishonored due to insufficient funds in the consumer's account, the licensee:

(1) Shall have the right to exercise all civil means authorized by law to collect the face value of the repayment mechanism.

(2) May contract for and collect from the consumer a charge not to exceed $25.
(3) May not collect any other fees as a result of the dishonor, including damages available under 42 Pa.C.S. § 8304 (relating to damages in actions on bad checks).

(b) When charge not allowed.--A charge authorized by this section shall not be allowed:

(1) if the consumer does not receive the loan proceeds from the licensee for any reason; or

(2) if the consumer places a stop-payment order due to forgery or theft.

§ 5121. Posting of charges and notice of mandatory extended payment plan.

(a) Posting of charges.--A licensee shall post, in large type in plain view of the public at any place of business where short-term loans are made, a notice of the finance charges and any related charges, such as the charge for dishonored repayment mechanisms, imposed for loans.

(b) Mandatory notice.--A licensee shall provide to each consumer at the time a loan agreement is signed, and conspicuously display in the lending area of each business location of the licensee, the following notice:

Notice: If you are unable to repay your loan, you are entitled to request an extended payment plan agreement with a fully disclosed rate, term and payment plan.

§ 5122. Notice of assignment or sale of loans.

(a) General rule.--A licensee shall inform a consumer in writing immediately of the name, address and telephone number of the person to whom a loan is assigned or sold. A licensee may only assign or sell a loan to another licensee or to a depository institution.

(b) Notice.--Prior to the assignment or sale of a loan, a
licensee shall provide the following notice to the buyer or assignee:

The repayment mechanism associated with this loan has been given by a consumer to secure a short-term loan transaction under Pennsylvania State law and the assignee or buyer is deemed to have knowledge of and shall be bound by the terms and conditions of the loan agreement between the consumer and the original lender.

§ 5123. No criminal culpability.

A consumer shall not be subject to a criminal penalty:

(1) For entering into a loan agreement.

(2) In the event that a consumer's repayment mechanism is dishonored, unless the consumer's account on which the repayment mechanism is drawn is closed by the consumer before the end of the agreed-upon deferment period, in which case the provisions of 18 Pa.C.S. § 4105 (relating to bad checks) or 4106 (relating to access device fraud), as applicable, shall apply.

§ 5124. Unfair or deceptive practices.

A person may not engage in unfair or deceptive acts, practices or advertising in connection with a loan. A violation of this section shall be deemed a violation of the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law.

§ 5125. Extended payment plan.

(a) General rule.--A consumer shall be entitled to an extended payment plan agreement under subsection (b) at least once per year if at any time on or before the loan's due date the consumer declares an inability to repay.

(b) Extended payment plan agreement.--An extended payment
plan agreement shall be subject to the following terms:

(1) The principal balance due under the extended payment plan shall be the outstanding principal balance and finance charge due under the existing loan. The licensee may encourage, but shall not require, the consumer to reduce the balance of the existing loan by paying the licensee cash on the date the consumer enters into the extended payment plan agreement.

(2) The licensee may not impose a finance charge for entering into the extended payment plan. The licensee may impose only the fees and charges authorized in section 5120 (relating to authorized charge for dishonored repayment mechanisms) in connection with an extended payment plan.

(3) The extended payment plan agreement shall allow the consumer to pay the sums due under the extended payment plan over at least four 14-day installments. Each installment shall be in an amount arrived at by dividing the total amount outstanding under paragraph (1) to a licensee by the number of 14-day installments of the extended payment plan. If the consumer has loans outstanding to two licensees and is unable to pay both loans, the consumer shall enter into an extended payment plan with each licensee. A consumer may, at any time, partially or entirely pay off an extended payment plan.

(4) A licensee shall report to the compliance system described in section 5115 (relating to prohibitions) that the consumer is enrolled in an extended payment plan.

(5) Except when the consumer is required to enter into an extended payment plan under the provisions of this chapter, the consumer shall have the same right to rescind an extended payment plan as is provided in section 5114(b)
(relating to maximum amount of loans, terms of loans and right of rescission) for the rescission of a loan.

(c) Eligibility requirements.--In order to enter into an extended payment plan, a consumer must:

(1) Have obtained a loan from the same licensee, or its assignee, that will enter into the extended payment plan.

(2) Request an extended payment plan prior to or on the due date of the loan.

(3) Reasonably inform the licensee, either orally or in writing, that the consumer requests an extended payment plan.

(d) Prohibition.--During any period in which all or part of an extended payment plan is outstanding and during the seven-day period following a consumer's payment in full of an extended payment plan, no licensee may make or offer to make a short-term loan to the consumer.

§ 5126. Prohibited practices regarding loans.

(a) Practices.--The following are prohibited regarding loans:

(1) Taking or attempting to take any security other than the consumer's check or other repayment mechanism.

(2) Taking or attempting to take more than a single check or other repayment mechanism from the consumer in connection with a single transaction.

(3) Selling, offering or soliciting any application for credit insurance in connection with a transaction.

(4) Tying a transaction to any other transaction, offer or obligation of the consumer.

(5) Assigning or selling a loan to another person other than in accordance with the provisions of this chapter.

(6) Engaging in any device or subterfuge to evade the
requirements of this chapter, including making loans disguised as personal property sales and leaseback transactions or disguising loan proceeds as cash rebates for the pretextual installment sale of goods and services.

(7) Failing to collect and provide information regarding the number, total and average transaction amounts and other information the department may request.

(8) Offering, arranging, negotiating, making, holding or acting as an agent or broker for the making of a loan unless the short-term lender complies with all applicable provisions of this chapter.

(9) Altering or deleting the date on any loan agreement or repayment mechanism held by the licensee.

(10) Rolling over, refinancing, extending or consolidating short-term loans except as provided in section 5125 (relating to extended payment plan).

(11) Failing to immediately and accurately report a loan or an extended payment plan to the compliance system provider as required by this chapter or by the department.

(12) Threatening to use or using the criminal process in any state to collect the balance due on a loan.

(13) Depositing a check or otherwise implementing any repayment mechanism prior to the expiration of the agreed-upon deferment period.

(b) Penalty.--In addition to any other penalties provided under law, any transaction in violation of subsection (a) shall be uncollectible and unenforceable.

§ 5127. Commonwealth Consumer Credit Counseling Account.

(a) Establishment.--There is established within the agency a restricted account to be known as the Commonwealth Consumer
Credit Counseling Account. Funds collected under section 5113(c)
(relating to authorized finance charges, origination fees and
loan verification costs) shall be deposited into the account.

(b) Designation and approval by the agency.--

(1) The agency shall designate and approve nonprofit
credit counseling agencies to be available to assist the
agency in implementing the provisions of this chapter related
to consumer credit counseling. Nonprofit credit counseling
agencies seeking to provide budget and credit counseling to
consumers must meet all requirements prescribed by the
agency.

(2) The agency shall maintain an up-to-date list of
approved nonprofit credit counseling agencies by county and
publish the list on the agency's publicly accessible Internet
website.

(3) The agency shall allocate quarterly, at its
discretion, funds to approved nonprofit credit counseling
agencies from the account.

(4) The agency shall pay all costs and expenses for
delivery of consumer credit counseling from amounts available
in the account.

§ 5128. Licensee duties with respect to military personnel.

(a) Collection activity.--A licensee shall defer collection
activity against:

(1) a consumer who is a member of the military that has
been deployed to combat or a combat support posting, for the
duration of the posting; or

(2) a reserve or National Guard member called to active
duty.

(b) Military personnel.--A licensee shall not contact the
military chain of command of a consumer who is a member of the
military in an effort to collect a loan.

(c) Repayment agreement.--A licensee shall honor the terms
of any repayment agreement that it has entered into with a
consumer who is a member of the military, including any
repayment agreement negotiated through military counselors or
third-party credit counselors.

(d) Compliance with Federal law.--All licensees must comply
with any Federal statutes and provisions regarding military
personnel and their dependents.

§ 5129. Licensee duty to offer credit counseling.

(a) General rule.--A licensee shall offer credit counseling
at no cost to a borrower from an unaffiliated not-for-profit
third party credit counselor approved by the agency to provide
credit counseling prior to executing a loan agreement with a
borrower.

(b) Borrower acknowledgment.--The licensee shall have the
borrower acknowledge the licensee's offer of no-cost credit
ounseling on a form prescribed by the department, which shall
include the following notice:

You are entitled to no-cost credit counseling in connection
with obtaining this short-term loan. This loan is not meant
to meet long-term financial needs and should be used only to
meet short-term cash needs. Taking advantage of this no-cost
counseling could help you avoid the need to seek this
kind of loan in the future.

§ 5129.1. ANTI-MONEY LAUNDERING REQUIREMENTS.

A PERSON LICENSED BY THE DEPARTMENT UNDER THIS ACT SHALL:

(1) COMPLY WITH ALL FEDERAL AND STATE STATUTES AND RULES
RELATING TO THE DETECTION AND PREVENTION OF MONEY LAUNDERING,
INCLUDING 31 CFR §§ 103.20 (RELATING TO REPORTS BY MONEY SERVICES BUSINESSES OF SUSPICIOUS TRANSACTIONS), 103.22 (RELATING TO REPORTS OF TRANSACTIONS IN CURRENCY), 103.23 (RELATING TO REPORTS OF TRANSPORTATION OF CURRENCY OR MONETARY INSTRUMENTS), 103.27 (RELATING TO FILING OF REPORTS), 103.28 (RELATING TO IDENTIFICATION REQUIRED), 103.29 (RELATING TO PURCHASES OF BANK CHECKS AND DRAFTS, CASHIER'S CHECKS, MONEY ORDERS AND TRAVELER'S CHECKS), 103.33 (RELATING TO RECORDS TO BE MADE AND RETAINED BY FINANCIAL INSTITUTIONS), 103.37 (RELATING TO ADDITIONAL RECORDS TO BE MADE AND RETAINED BY CURRENCY DEALERS OR EXCHANGERS) AND 103.41 (RELATING TO REGISTRATION OF MONEY SERVICES BUSINESSES).

(2) MAINTAIN AN ANTI-MONEY LAUNDERING PROGRAM IN ACCORDANCE WITH 31 CFR § 103.125 (RELATING TO ANTI-MONEY LAUNDERING PROGRAMS FOR MONEY SERVICES BUSINESSES). THE PROGRAM MUST BE REVIEWED AND UPDATED AS NECESSARY TO ENSURE THAT IT CONTINUES TO BE EFFECTIVE IN DETECTING AND DETERRING MONEY LAUNDERING ACTIVITIES IN THE LICENSEE'S SHORT-TERM LOAN BUSINESS.

(3) COMPLY WITH UNITED STATES TREASURY INTERPRETIVE RELEASE 2004-1.

SUBCHAPTER C

ADMINISTRATIVE AND LICENSURE PROVISIONS

Sec.
5131. Application for license.
5132. Annual license fee.
5133. (Reserved).
5134. Issuance of license.
5135. License duration.
§ 5131. Application for license.

(a) Contents.--An application for a license under this chapter shall be on a form prescribed and provided by the department. The application shall include the name of the applicant, the address of the principal place of business of the applicant and the address or addresses where the applicant's short-term loan business is to be conducted, the full name, official title and business address of each director and principal officer of the short-term loan business and any other information that may be required by the department. An applicant shall demonstrate to the department that policies and procedures have been developed to receive and process consumer inquiries and grievances promptly and fairly.

(b) Duty to update.--All applicants and licensees shall be required to provide the department with written notice of the change in any information contained in an application for a license or for any renewal of a license within ten days of the applicant or licensee becoming aware of such change.

(c) Financial structure.--

(1) The applicant must establish that the applicant:

(i) has, at the time of application, a minimum tangible net worth of $250,000;
(ii) will at all times maintain the minimum tangible
net worth required by subparagraph (i); and

(iii) has an otherwise adequate financial structure.

(2) Prior to and as a condition of the issuance of a
license, an applicant for a license shall maintain a bond in
the amount of $100,000 in a form acceptable to the department
from a surety company authorized to do business in this
Commonwealth. The bond shall be a penal bond conditioned on
compliance by the licensee with this chapter and subject to
forfeiture and shall run to the Commonwealth for its use and
shall be held by the department for the term of the license.
The bond shall also be for the use of any consumer against
the licensee for failure to carry out the terms of any loan
or extended payment plan. If a consumer is aggrieved, he may,
with the written consent of the department, recover the
amount by which the consumer is aggrieved from the bond by
filing a claim with the surety company or maintaining an
action on the bond. In the alternative, an aggrieved consumer
may recover the amount by which the consumer is aggrieved by
filing a formal complaint against the licensee with the
department, which shall adjudicate the matter. Such an
adjudication shall be binding upon the surety company and
enforceable by the department in Commonwealth Court and by an
aggrieved consumer in any court. An aggrieved consumer
seeking to recover any amount from a bond that has already
been forfeited by the licensee or which the department is in
the process of having forfeited may recover payment on such
bond if, after filing a petition with the department, the
department consents to the requested payment or portion
thereof. The department may pay the aggrieved consumer from
the bond proceeds recovered by the department in such case. Nothing in this paragraph shall be construed as limiting the ability of any court or magisterial district judge to award to any aggrieved consumer other damages, court costs and attorney fees permitted by applicable law, but those claims that are not directly related to the loan or extended payment plan may not be recovered from the proceeds of the bond. The department, in its discretion, may consent to or order pro rata or other recovery on the bond for any aggrieved consumer if claims against the bond may or do exceed its full monetary amount. No bond shall comply with the requirements of this paragraph unless it contains a provision that it shall not be canceled for any cause unless notice of intention to cancel is given to the department at least 30 days before the day upon which cancellation shall take effect. In such event, the licensee shall be required to replace the bond with a bond substantially in the same form as the original bond. Cancellation of the bond shall not invalidate the bond regarding the period of time it was in effect.

(d) License renewals.--Licenses shall be issued for terms of not more than 14 months and may be renewed by the department upon application by the licensee and the payment of any and all applicable renewal fees. A licensee shall comply with the same requirements for renewal of its license as it did for the issuance of the original license.

§ 5132. Annual license fee.

(a) General rule.--An applicant for a license shall pay to the department at the time an application is filed, and upon filing of each application for renewal thereof, a license fee for the principal place of business of $3,000 and an additional
license fee for each branch office of $1,000.

(b) Recovery of costs.—No abatement of a license fee shall be made if the license is issued for a period of less than one year. The department shall be entitled to recover any cost of investigation in excess of license or renewal fees from the licensee or from a person who is not licensed under this chapter but who is believed to be engaged in the short-term loan business.

§ 5133. (Reserved).

§ 5134. Issuance of license.

(a) Time limit.—Upon receipt of an application for a license, the department may conduct such investigation as it deems necessary to determine that the applicant and its officers, directors and principals are of good character and ethical reputation. Within 60 days of receipt of a completed application, the department shall:

(1) issue a license; or

(2) refuse to issue a license for any reason which the department may refuse to issue a license under this section or for which the department may suspend, revoke or refuse to renew a license under section 5140 (relating to suspension, revocation or refusal).

(b) Appeal of denial.—If the department refuses to issue a license, it shall notify the applicant in writing of the denial, the reason therefor and the applicant's right to appeal the denial to the Secretary of Banking. The department shall require that an appeal from refusal to approve an application for a license be filed by the applicant within 30 days of notice of refusal.

(c) Contents of license.—Every license issued by the
department shall specify:

(1) The name and address of the licensee and the address or addresses covered by the license.

(2) The licensee's reference number.

(3) Any other information the department shall require to carry out the purposes of this chapter.

(d) Denial of license due to conviction.--

(1) The department may deny a license if it finds that the applicant or a director, officer, partner, employee or ultimate equitable owner of 10% or more of the applicant has been convicted of a felony or a crime of moral turpitude in any jurisdiction or convicted of a crime which, if committed in this Commonwealth, would constitute a felony or a crime of moral turpitude. For the purposes of this chapter, a person shall be deemed to have been convicted of a crime if the person:

   (i) enters a guilty plea or plea of nolo contendere to a criminal charge before a Federal magistrate or a court, unless the guilty plea or plea of nolo contendere is set aside, vacated, reversed or otherwise abrogated by lawful judicial process; or

   (ii) is found guilty by the verdict of a jury or the decision or judgment of a Federal magistrate or court, irrespective of pronouncement or suspension of sentence, unless the decision or judgment is set aside, vacated, reversed or otherwise abrogated by lawful judicial process.

(2) A license under this chapter shall be deemed to be a "covered license" within the meaning of section 405 of the act of May 15, 1933 (P.L.565, No.111), known as the
Department of Banking Code. The department shall notify a 
licensee if a covered individual who is or will be employed 
or contracted by the licensee has a criminal background that 
renders the employee unfit for employment in the short-term 
loan business.

(e) Denial of license for other reason.--The department may 
deny a license or otherwise restrict a license if it finds that 
the applicant or a director, officer, partner, employee, agent 
or ultimate equitable owner of 10% or more of the applicant:

(1) has had a license application or license issued by 
the department or another state business licensing agency 
denied, not renewed, suspended or revoked;

(2) is the subject of an order of the department;

(3) has violated or failed to comply with any provisions 
of this chapter or any regulation or order of the department;

(4) has an outstanding debt to the Commonwealth or any 
Commonwealth agency; or

(5) does not possess the financial responsibility, 
character, reputation, integrity and general fitness to 
command the confidence of the public and to warrant the 
belief that the short-term loan business will be operated 
lawfully, honestly, fairly and within the legislative intent 
of this chapter and in accordance with the general laws of 
this Commonwealth. For purposes of this paragraph, an 
applicant is not financially responsible if the applicant has 
shown a disregard in the management of his or her own 
financial condition. The factors that the department may 
consider in making a determination regarding an applicant's 
financial responsibility shall include:

(i) Current outstanding judgments, other than
judgments solely as a result of medical expenses.

   (ii) Current outstanding tax liens or other
government liens and filings.

   (iii) Foreclosures within the past three years.

   (iv) A pattern of seriously delinquent accounts
within the past three years.

§ 5135. License duration.

A license issued by the department:

   (1) Must be renewed on the license's renewal date of
each year upon payment of the annual renewal fee and after
the department determines that the licensee is conducting
business in accordance with this chapter. No refund of any
portion of the license fee shall be made if the license is
voluntarily surrendered to the department or suspended or
revoked by the department prior to its expiration date.

   (2) Shall be invalid if the licensee's authority to
conduct business is voided under any law of this Commonwealth
or any other state unless the licensee demonstrates that the
applicable court or governmental entity was clearly erroneous
in voiding the licensee's authority to conduct business.

   (3) Is not assignable or transferable by operation of
law or otherwise.

§ 5136. Licensee and compliance system provider requirements.

(a) Requirements of a licensee.--A licensee shall do all of
the following:

   (1) Maintain at its principal place of business within
this Commonwealth, or at a place outside this Commonwealth if
agreed to by the department, the original, a copy or
electronic access to books, accounts, records and documents
of the business conducted under the license as prescribed by
the department to enable the department to determine whether
the business of the licensee is being conducted in accordance
with this chapter and the orders, regulations and statements
of policy issued under this chapter. 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 department for a period
determined by the department. The department shall have free
access to and authorization to examine records maintained
outside this Commonwealth. The costs of the examination,
including travel costs, shall be borne by the licensee. The
department may deny or revoke the authority to maintain
records outside this Commonwealth for good cause in the
interest of protection for Commonwealth consumers, including
for the licensee's failure to provide books, accounts,
records or documents to the department upon request.

(2) Be subject to examination by the department. The
department may examine a licensee if the department deems the
examination to be necessary or desirable. The cost of the
examination shall be borne by the licensee. During an
examination, the department shall have free access, during
regular business hours, to the licensee's place or places of
business in this Commonwealth and to all instruments,
documents, accounts, books and records which pertain to a
licensee's short-term loan business, whether maintained in or
outside this Commonwealth.

(3) Include in all advertisements language indicating
that the licensee is licensed by the department.

(b) Requirements of compliance system provider.--Annually,
on a date determined by the department, the compliance system
provider shall file a report with the department setting forth
the information the department requires concerning the short-
term loan business conducted by each licensee during the
preceding calendar year. The report must be in writing and
subject to penalty of perjury on a form provided by the
department. If the compliance system provider fails to file the
required report in a timely manner, it shall be subject to a
penalty of $500 for each day after the report is due until the
report is filed. The report shall include:

(1) The total number of short-term loans made during the
preceding calendar year.

(2) The minimum, maximum and average dollar amount of
short-term loans made during the preceding calendar year.

(3) The average annual percentage rate and the average
term of short-term loans made during the preceding calendar
year.

(4) The total number of returned checks, the total of
checks recovered and the total of checks charged off during
the preceding calendar year.

(5) The total number of short-term loans paid in full,
the total number of loans which went into default and the
total number of loans charged off during the preceding
calendar year.

(6) The total number of consumer complaints.

(7) Frequency of repeat use by consumers of postdated or
delayed deposit checks.

(8) Verification that the licensee has not used the
criminal process or caused the criminal process to be used in
the collection of any short-term loan during the preceding
calendar year.

(9) Information on the number of consumers referred to financial literacy counseling within the preceding calendar year.

(10) Any other information or data the department may require.

(c) Accounting records.--The licensee's accounting records shall be constructed and maintained in compliance with generally accepted accounting principles or as provided by department regulation.

(d) Copies.--If copies of instruments, documents, accounts, books or records are maintained under subsection (a)(2), they may be photostatic, microfilm or electronic copies or copies provided in some other manner approved by the department.

(E) BACKGROUND CHECKS.--THE DEPARTMENT SHALL REQUIRE A CRIMINAL BACKGROUND CHECK FOR ALL COMPLIANCE SYSTEM PROVIDERS.

§ 5137. Licensee limitations.

A licensee may not do any of the following:

(1) Transact any business under this chapter under any other name or names except those designated in its license. A licensee that changes its name or place or places of business shall immediately notify the department.

(2) Conduct a business other than the short-term loan business licensed by the department under this chapter without at least 30 days' prior written notification to and approval by the department.

§ 5138. Surrender of license.

(a) Authorization.--Upon satisfying the department that all creditors of a licensee have been paid or that other arrangements satisfactory to the creditors and the department
have been made, a licensee may voluntarily surrender its license to the department by providing written notice that the license is being voluntarily surrendered.

(b) Effect.--Surrender under this section shall not affect the licensee's civil or criminal liability for acts committed.

§ 5139. Authority of department.

(a) General authority.--The department has the following powers and duties:

(1) Examine any instrument, document, account, book, record or file of a licensee or any person having a connection to the licensee or make an investigation necessary to administer this chapter. The costs of the examination shall be borne by the licensee or the entity subject to the examination. Under the authority under this subsection, the department may remove any instrument, document, account, book, record or file of a licensee to a location outside of the licensee's office location.

(2) Conduct an administrative hearing on any matter pertaining to this chapter, issue subpoenas to compel the attendance of witnesses and the production of instruments, documents, accounts, books and records at the hearing. Subpoenaed material may be retained by the department until the completion of all proceedings in connection with the materials. A department official may administer oaths and affirmations to an individual whose testimony is required. If a person fails to comply with a subpoena issued by the department or to testify on a matter concerning which the person may be lawfully interrogated, on application by the department, the Commonwealth Court may issue an order requiring the attendance of the person, the production of
instruments, documents, accounts, books or records or the
giving of testimony.

(3) Request and receive information or records,
including reports of criminal history record information from
any Federal, State, local or foreign government entity
regarding an applicant for a license, a licensee or a person
related to the business of the applicant or licensee, at a
cost to be paid by the applicant or licensee.

(4) Require a person to pay the department's costs
incurred while conducting an investigation of the person for
purposes of issuance or renewal of a license or for any
violation of this chapter.

(5) Promulgate regulations and statements of policy and
issue orders as necessary for the proper conduct of the
short-term loan business by licensees, the issuance and
renewal of licenses and the enforcement of this chapter.

(6) Prohibit or permanently remove an individual
responsible for a violation of this chapter from working in
the individual's present capacity or in any other capacity
related to activities regulated by the department.

(7) Order a person to make restitution for actual
damages to consumers caused by any violation of this chapter.

(8) Impose conditions as the department deems
appropriate.

(b) Hearings.--A person aggrieved by a decision of the
department may appeal the decision of the department to the
Secretary of Banking. The appeal shall be conducted under 2
Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of
Commonwealth agencies).

(c) Injunctions.--The department may maintain an action for
an injunction or other process against a person to restrain the
person from engaging in an activity violating this chapter.

(d) Final orders.--A decision of the secretary shall be a
final order of the department and shall be enforceable in a
court of competent jurisdiction. The department shall publish
the final adjudication issued under this section, subject to
redaction or modification to preserve confidentiality.

(e) Appeals.--A person aggrieved by a decision of the
Secretary of Banking may appeal the decision under 2 Pa.C.S. Ch.
7 Subch. A (relating to judicial review of Commonwealth agency
action).

§ 5140. Suspension, revocation or refusal.

(a) Departmental action.--The department may suspend, revoke
or refuse to renew a license issued under this chapter if any
fact or condition exists or is discovered which, if it had
existed or had been discovered at the time of filing of the
application for the license, would have warranted the department
in refusing to issue the license or if a licensee or director,
officer, partner, employee or owner of a licensee has:

(1) Made a material misstatement in any application,
report or submission required by this chapter or any
department regulation or order.

(2) Failed to comply with or violated this chapter or
any regulation or order promulgated or issued under this
chapter.

(3) Engaged in dishonest, fraudulent or illegal
practices or conduct in a business or unfair or unethical
practices or conduct in connection with the short-term loan
business.

(4) Been convicted of or pled guilty or nolo contendere
to a crime of moral turpitude or a felony.

(5) Permanently or temporarily been enjoined by a court of competent jurisdiction from engaging in or continuing conduct or a practice involving an aspect of the short-term loan business.

(6) Become the subject of an order of the department denying, suspending or revoking a license applied for or issued under this chapter.

(7) Become the subject of a United States Postal Service fraud order.

(8) Become the subject of an order of the department denying, suspending or revoking a license under any other law administered by the department.

(9) Demonstrated negligence or incompetence in performing an act for which the licensee is required to hold a license under this chapter.

(10) Failed to comply with the requirements of this chapter to make and keep records prescribed by regulation or order of the department, to produce records required by the department or to file financial reports or other information that the department, by regulation or order, may require.

(11) Become insolvent. For purposes of this paragraph, the term "become insolvent" shall mean that the liabilities of the applicant or licensee exceed the assets of the applicant or licensee or that the applicant or licensee cannot meet the obligations of the applicant or licensee as they mature or is in a financial condition that the applicant or licensee cannot continue in business with safety to the customers of the applicant or licensee.

(12) Failed to comply with the terms of any agreement.
under which the department authorizes a licensee to maintain records at a place other than the licensee's principal place of business.

(b) Reinstatement.--The department may reinstate a license which was previously revoked or denied renewal if all of the following exist:

(1) The condition which warranted the original action has been corrected to the department's satisfaction.

(2) The department has reason to believe that the condition is not likely to occur again.

(3) The licensee satisfies all other requirements of this chapter.

§ 5141. WHISTLEBLOWER PROTECTION.

(A) ADVERSE ACTION PROHIBITED.--NO EMPLOYER MAY DISCHARGE, THREATEN OR OTHERWISE DISCRIMINATE OR RETALIATE AGAINST AN EMPLOYEE REGARDING THE EMPLOYEE'S COMPENSATION, TERMS, CONDITIONS, LOCATION OR PRIVILEGES OF EMPLOYMENT BECAUSE THE EMPLOYEE MAKES A GOOD FAITH REPORT OR IS ABOUT TO REPORT, VERBALLY OR IN WRITING, TO THE EMPLOYER OR APPROPRIATE AUTHORITY AN INSTANCE OF WRONGDOING UNDER SECTION 5128 (RELATING TO LICENSEE DUTIES WITH RESPECT TO MILITARY PERSONNEL) OR ANY OTHER VIOLATION OF THIS CHAPTER.

(B) REMEDIES.--THE REMEDIES, PENALTIES AND ENFORCEMENT PROCEDURES FOR VIOLATIONS OF THIS SECTION SHALL BE AS PROVIDED IN THE ACT OF DECEMBER 12, 1986 (P.L.1559, NO.169), KNOWN AS THE WHISTLEBLOWER LAW.

(C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION:

"APPROPRIATE AUTHORITY." A FEDERAL, STATE OR LOCAL
GOVERNMENT BODY, AGENCY OR ORGANIZATION HAVING JURISDICTION OVER
CRIMINAL LAW ENFORCEMENT, REGULATORY VIOLATIONS, PROFESSIONAL
CONDUCT OR ETHICS, OR WASTE; OR A MEMBER, OFFICER, AGENT,
REPRESENTATIVE OR SUPERVISORY EMPLOYEE OF THE BODY, AGENCY OR
ORGANIZATION. THE TERM INCLUDES, BUT IS NOT LIMITED TO, THE
OFFICE OF ATTORNEY GENERAL, THE DEPARTMENT OF THE AUDITOR
GENERAL, THE TREASURY DEPARTMENT, THE GENERAL ASSEMBLY AND
COMMITTEES OF THE GENERAL ASSEMBLY HAVING THE POWER AND DUTY TO
INVESTIGATE CRIMINAL LAW ENFORCEMENT, REGULATORY VIOLATIONS,
PROFESSIONAL CONDUCT OR ETHICS OR WASTE.

"EMPLOYEE." A PERSON WHO WORKS FOR A LICENSEE.

"EMPLOYER." A LICENSEE.

"GOOD FAITH REPORT." A REPORT OF CONDUCT THAT ALLEGES
WRONGDOING OR WASTE WHICH IS MADE BY A PERSON WITHOUT MALICE OR
CONSIDERATION OF PERSONAL BENEFIT AND WHICH THE PERSON HAS
REASONABLE CAUSE TO BELIEVE IS TRUE.

"PUBLIC BODY." ALL OF THE FOLLOWING:

(1) A STATE OFFICER, AGENCY, DEPARTMENT, DIVISION,
BUREAU, BOARD, COMMISSION, COUNCIL, AUTHORITY OR OTHER BODY
IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(2) A COUNTY, CITY, TOWNSHIP, REGIONAL GOVERNING BODY,
COUNCIL, SCHOOL DISTRICT, SPECIAL DISTRICT OR MUNICIPAL
CORPORATION, OR A BOARD, DEPARTMENT, COMMISSION, COUNCIL OR
AGENCY.

(3) ANY OTHER BODY WHICH IS CREATED BY THE COMMONWEALTH
OR A POLITICAL SUBDIVISION AUTHORITY OR WHICH IS FUNDED IN
ANY AMOUNT BY OR THROUGH COMMONWEALTH OR POLITICAL
SUBDIVISION AUTHORITY OR A MEMBER OR EMPLOYEE OF THAT BODY.

"WHISTLEBLOWER." A PERSON WHO WITNESSES OR HAS EVIDENCE OF
WRONGDOING OR WASTE WHILE EMPLOYED AND WHO MAKES A GOOD FAITH
REPORT OF THE WRONGDOING OR WASTE, VERBALLY OR IN WRITING, TO
ONE OF THE PERSON'S SUPERIORS, TO AN AGENT OF THE EMPLOYER OR TO
AN APPROPRIATE AUTHORITY.

"WRONGDOING." A VIOLATION WHICH IS NOT OF A MERELY TECHNICAL
OR MINIMAL NATURE OF A FEDERAL OR STATE STATUTE OR REGULATION,
OF A POLITICAL SUBDIVISION ORDINANCE OR REGULATION OR OF A CODE
OF CONDUCT OR ETHICS DESIGNED TO PROTECT THE INTEREST OF THE
PUBLIC OR THE EMPLOYER.

§ 5141 5142. Penalties.

(a) Licensees.--A licensee and any director, officer, owner,
partner, employee or agent of a licensee that violates this
chapter or commits any action which would subject the licensee
to sanction under section 5140 (relating to suspension,
revocation or refusal) may be fined by the department up to
$10,000 for each offense.

(b) Nonlicensees.--A person subject to this chapter and not
licensed by the department that violates this chapter or commits
an action which would subject a licensee to sanction under
section 5140 may be fined by the department up to $10,000 for
each offense.

SUBCHAPTER D
MISCELLANEOUS PROVISIONS

Sec.
5151. Applicability.
5152. Preemption.
5153. Report to General Assembly.
§ 5151. Applicability.

This chapter shall apply to a loan which:

(1) is made or executed within this Commonwealth; or
(2) is negotiated, offered or otherwise transacted
within this Commonwealth or with any resident of this Commonwealth, in whole or in part, whether by the ultimate lender or any other person.

§ 5152. Preemption.

(a) General rule.--Except as set forth in subsection (b), all of the following apply:

(1) This chapter preempts ordinances, resolutions and regulations imposing reporting requirements, financial or lending activities or other obligations upon persons subject to this chapter.

(2) Political subdivisions are prohibited from enacting and enforcing ordinances, resolutions and regulations expressly pertaining to the facilities of persons subject to this chapter.

(b) Exceptions.--A political subdivision may, under zoning ordinance, require a short-term lender to:

(1) locate within approved residential, industrial, commercial or other zones; and

(2) obtain a zoning permit, pay a zoning fee and undergo an inspection related to zoning.

§ 5153. Report to General Assembly.

Three years ONE YEAR from the effective date of this chapter, AND ANNUALLY THEREAFTER, the department shall report to the Secretary of the Senate and the Chief Clerk of the House of Representatives on the status of the short-term loan industry.

The report shall include:

(1) The number of short-term lenders with active licenses issued by the department and the number of persons employed in this Commonwealth.

(2) A summary of the number of loans issued, the average
loan amount and any other information as determined by the
department.

(3) A compilation of aggregate data concerning the
short-term lending industry in this Commonwealth as reported
to the department under section 5136(b) (relating to licensee
and compliance system provider requirements).

(4) Information on consumer complaints. This paragraph
includes alleged or confirmed reports of unfair or deceptive
trade practices and false, misleading or deceptive
advertising.

(5) The effectiveness of the compliance system in
providing real-time reporting of loan transactions,
verification of consumers' borrowing and repayment history,
enrollment in extended payment plans and use of financial
literacy programs.

(6) INFORMATION ON THE EFFECTIVENESS OF CREDIT
COUNSELING PURSUANT TO SECTION 5129 (RELATING TO LICENSEE
DUTY TO OFFER CREDIT COUNSELING), INCLUDING ALL OF THE
FOLLOWING:

(I) IDENTIFICATION BY NAME AND ADDRESS OF THIRD-
PARTY CREDIT COUNSELORS APPROVED BY THE AGENCY.

(II) THE GEOGRAPHIC LOCATIONS IN THIS COMMONWEALTH
WHERE CREDIT COUNSELING IS AVAILABLE TO CONSUMERS.

(III) INFORMATION ON THE NUMBER OF CONSUMERS WHO
PARTICIPATED IN CREDIT COUNSELING, INCLUDING DEMOGRAPHIC
DATA ASSOCIATED WITH SUCH CONSUMERS.

(IV) INFORMATION ON THE INSTRUCTIONAL FORMAT USED BY
THIRD-PARTY CREDIT COUNSELORS TO PROVIDE FINANCIAL AND
EDUCATIONAL CREDIT COUNSELING.

(V) NUMBER OF PARTICIPATING THIRD-PARTY CERTIFIED
CREDIT COUNSELORS.

(7) Other information the department deems necessary and appropriate.

Section 2. Section 4107(a) of Title 18 is amended by adding a paragraph to read:

§ 4107. Deceptive or fraudulent business practices.

(a) Offense defined.--A person commits an offense if, in the course of business, the person:

* * *

(9.1) violates 7 Pa.C.S. § 5124 (relating to unfair or deceptive practices);

* * *

Section 3. Title 18 is amended by adding a section to read:

§ 7332. Unlicensed short-term lending.

A person that operates without a license in violation of 7 Pa.C.S. § 5111 (relating to license requirements) commits a felony of the third degree.

Section 4. This act shall take effect as follows:

(1) The following provisions of 7 Pa.C.S. shall take effect 30 days after publication by the Department of Banking of a notice in the Pennsylvania Bulletin that the Compliance System described in 7 Pa.C.S. § 5115(f)(1) is operable and ready to begin receiving the information required to be provided to the Compliance System by licensees under 7 Pa.C.S. § 5115(f)(2):

(i) Section 5115(e)(2) and (f)(2).

(ii) Section 5125(b)(4).

(iii) Section 5126(a)(11).
(2) This section shall take effect immediately.

(3) The remainder of this act shall take effect in 60 days.