AN ACT

Providing for loan deferrals, repayment plans and loan modifications by certain financial institutions for nonprofits during the COVID-19 disaster emergency.

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

Section 1. Short title.

This act shall be known and may be cited as the COVID-19 Banking on Nonprofits Act.

Section 2. Definitions.

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

"COVID-19 disaster emergency." The proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency.

"Credit union." A Pennsylvania State-chartered credit union.

"Department." The Department of Banking and Securities of
"Licensee." A corporation, person or any other type of business entity required to be licensed by the department. The term does not include a licensee or registrant under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972.

"Nonprofit." A nonprofit organization operating with a physical location in this Commonwealth, regardless of whether that physical location is open to the public, and employs not more than 50 full-time and 50 part-time individuals.

"Secretary." The Secretary of Banking and Securities of the Commonwealth.

Section 3. COVID-19 Banking on Nonprofits Program.

(a) Establishment.--The COVID-19 Banking on Nonprofits Program is established within the department to provide cooperation between nonprofits and State-chartered banks, credit unions and licensees during the COVID-19 disaster emergency. State-chartered banks, credit unions and licensees may offer loan deferrals, repayment plans and loan modifications to eligible nonprofits as provided under this section.

(b) Eligibility.--A nonprofit shall be eligible for a loan deferral, repayment plan or loan modification under this section if:

(1) The nonprofit demonstrates that it has been adversely impacted by the COVID-19 disaster emergency.

(2) The nonprofit is current on its loan or mortgage payments with the State-chartered bank, credit union or licensee.

(c) Loan deferral, repayment plan or loan modification.--To ensure a nonprofit does not fall behind on loan or mortgage payments with the State-chartered bank, credit union or licensee.
payments, at the request of a nonprofit, a State-chartered bank, 
credit union or licensee may provide a loan deferral, repayment 
plan or loan modification to a nonprofit.

(d) Conditions.--If a nonprofit receives a loan deferral, 
repayment plan or loan modification under this section and fails 
to comply with the terms of the agreement relating to the loan 
deferral, repayment plan or loan modification, the nonprofit 
shall be subject to any penalties and costs established by the 
State-chartered banks, credit unions or licensees.

(e) Reporting.--State-chartered banks, credit unions and 
licensees shall report information on each loan deferral, 
repayment plan or loan modification provided under this section 
to the department in a form and manner prescribed by the 
department.

(f) Expiration.--This act shall expire two years after the 
effective date of this section.

Section 4. Effective date.

This act shall take effect immediately.