

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1043

Session of
1987

INTRODUCED BY MAYERNIK, CALTAGIRONE, WOGAN, COLAFELLA AND
PICCOLA, APRIL 7, 1987

AS REPORTED FROM COMMITTEE ON JUDICIARY, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 15, 1988

AN ACT

1 Amending Title 18 (Crimes and Offenses) of the Pennsylvania
2 Consolidated Statutes, further providing for unlawful
3 collection agency practices.

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

6 Section 1. Section 7311(a) and (b) of Title 18 of the
7 Pennsylvania Consolidated Statutes are amended and the section
8 is amended by adding a subsection to read:

9 § 7311. Unlawful collection agency practices.

10 (a) [Appearance for creditor.--It is unlawful for a
11 collection agency to appear for or represent a creditor or other
12 person in any proceeding, or in any action or proceeding for or
13 growing out of the appointment of a receiver or trustee, or in
14 connection with an assignment for the benefit of creditors, or
15 to present any claim or to vote on behalf of a creditor, whether
16 an assignee or transferee of such claim or by virtue of a proxy
17 or otherwise, or to represent any creditor in any action or

proceeding in any court, or before any justice of the peace or
magistrate, or to solicit from any creditor any claim for any of
the purposes forbidden by this section.] Assignments of
claims.--It is lawful for a collection agency, for the purpose
of collecting or enforcing the payment thereof, to take an
assignment of any such claim from a creditor, provided the
assignment is in writing between the creditors and collection
agency and the original agreement between the creditor and
debtor does not prohibit assignments.

(b) [Assignments of claims.--It is unlawful for a collection
agency, for the purpose of collecting or enforcing the payment
thereof, directly or indirectly, to buy, take an assignment of,
or to become in any manner interested in the buying or taking of
an assignment of any such claim.] Appearance for creditor.--It
is unlawful for a collection agency to appear for or represent a
creditor in any manner whatsoever, but a collection agency,
pursuant to subsection (a), may bring legal action on claims
assigned to it and not be in violation of subsection (d) (C) if <—
the agency appears by an attorney.

~~(b.1) Unfair or unconscionable collection methods. A~~ <—
~~collection agency may not use unfair or unconscionable methods~~
~~to collect or attempt to collect a debt in violation of State or~~
~~Federal law or regulations. Notwithstanding this provision, a~~
~~collection agency shall be entitled to the collection of any~~
~~amount, including any interest, fee, charge or expense~~
~~incidental to the principal obligation, provided that such~~
~~amount is expressly provided in the agreement creating the debt~~
~~or is permitted by law.~~

(B.1) UNFAIR OR DECEPTIVE COLLECTION METHODS.--IT SHALL BE <—
UNLAWFUL FOR A COLLECTION AGENCY TO USE UNFAIR OR DECEPTIVE

1 METHODS TO COLLECT OR ATTEMPT TO COLLECT A DEBT IN VIOLATION OF
2 STATE OR FEDERAL LAWS OR REGULATIONS. IT IS UNLAWFUL FOR A
3 COLLECTOR TO COLLECT ANY AMOUNT, INCLUDING ANY INTEREST, FEE,
4 CHARGE OR EXPENSE INCIDENTAL TO THE PRINCIPAL OBLIGATION, UNLESS
5 SUCH AMOUNT IS EXPRESSLY PROVIDED IN THE AGREEMENT CREATING THE
6 DEBT OR IS PERMITTED BY LAW.

7 * * *

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