

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2536 Session of
1996

INTRODUCED BY HASAY, LESCOVITZ, BARLEY, GODSHALL, COY, BAKER,
STISH, FAIRCHILD, GEIST, TRELLO, STERN, WALKO, M. N. WRIGHT,
STABACK, HENNESSEY AND BELFANTI, APRIL 10, 1996

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
APRIL 10, 1996

AN ACT

1 Amending the act of September 2, 1965 (P.L.490, No.249),
2 entitled "An act providing for the licensing and regulation
3 of the business of transmitting money or credit for a fee or
4 other consideration by the issuance of money orders, by the
5 sale of checks or by other methods; conferring powers and
6 duties upon the Department of Banking; and imposing
7 penalties," providing for accelerated mortgage payment
8 providers, for exemptions, for release of reports and for
9 examinations.

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

12 Section 1. Sections 1 and 3 of the act of September 2, 1965
13 (P.L.490, No.249), referred to as the Money Transmission
14 Business Licensing Law, are amended to read:

15 Section 1. Definitions.--Unless the context clearly
16 indicates otherwise, the following words when used in this act
17 shall have the following meanings:

18 (1) "Person" includes an individual or an organization but
19 does not include the governments of the United States or of the
20 Commonwealth of Pennsylvania.

1 (2) "Transmittal instrument" means any check, draft, money
2 order, personal money order or method for the payment of money
3 or transmittal of credit, other than a merchandise gift
4 certificate sold in the regular course of business by a vendor
5 of personal property or services.

6 (3) "Personal money order" means any transmittal instrument
7 in relation to which the purchaser or remitter appoints the
8 seller thereof as his agent for the handling of the transmittal
9 instrument or its proceeds no matter by whom such transmittal
10 instrument is signed.

11 (4) "Deliver" means surrendering a transmittal instrument to
12 the first person, who in payment for the same makes a remittance
13 of the whole or a part of the face amount thereof, whether or
14 not the person delivering the instrument charges a fee in
15 addition to the face amount and whether or not he signs the
16 same.

17 (5) "Accelerated mortgage payment providers" includes
18 persons who receive funds from mortgagors to make mortgage
19 payments to a lender or lenders, on behalf of those mortgagors,
20 in order to exceed regularly scheduled minimum payment
21 obligations under the terms of the indebtedness. This term does
22 not include persons or entities described in section 3 of this
23 act.

24 Section 3. Exemptions.--No license shall be required
25 hereunder of

26 (1) banks, bank and trust companies, savings banks and
27 private banks organized under the laws of this Commonwealth;
28 similar banking institutions organized under the laws of the
29 United States or of any other state which are insured by the
30 Federal Deposit Insurance Corporation; and savings and loan

1 associations and building and loan associations organized under
2 the laws of this Commonwealth or of the United States; or

3 (2) [incorporated telegraph companies which receive money at
4 their offices and agencies for immediate transmittal by
5 telegraph; or

6 (3)] agents of a person licensed under this act.

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

8 Section 3.1. Partial Exemption.--Accelerated mortgage
9 payment providers shall be exempt from clause (1) of section 4
10 and clause (2) of subsection (a) of section 6 of this act
11 relating to a net worth requirement and proof thereof but
12 otherwise shall be subject to the terms and licensing
13 requirements of this act.

14 Section 3. Section 10 of the act is amended to read:

15 Section 10. Authority of the Department of Banking.--(a)
16 The Department of Banking shall have the right to suspend or
17 revoke the original or any renewed license granted under this
18 act if

19 (1) the licensee's bond or securities become inadequate and
20 the licensee after notice fails forthwith to furnish an adequate
21 bond or securities in the amount required by this act; or

22 (2) the licensee shall violate any provision of the act or
23 any rule or regulation issued by the Department of Banking under
24 authority of this act; or

25 (3) the licensee shall fail to comply with any demand, rule
26 or regulation lawfully made by the Department of Banking under
27 authority of this act; or

28 (4) the licensee shall refuse to permit the Department of
29 Banking or its designated representative to make any examination
30 authorized by this act; or

1 (5) if any fact or condition is discovered which, if it had
2 been known at the time of the filing of the application for the
3 license, would have warranted the Department of Banking in
4 denying the application.

5 (b) The Department of Banking may release reports and other
6 pertinent information if it determines that release of such
7 information is reasonably necessary for the protection of the
8 public and in the interest of justice. In which case, the
9 information may be released only to a representative of an
10 agency, department or instrumentality of this Commonwealth,
11 another state or Federal Government.

12 Section 4. Section 15 of the act, amended July 9, 1977
13 (P.L.70, No.25), is amended to read:

14 Section 15. Examinations by the Secretary of Banking.--The
15 Secretary of Banking, and any person designated by him for that
16 purpose, [annually] shall at least once every two calendar years
17 investigate the business and affairs and examine the books,
18 accounts, papers, records, documents, and files of every
19 licensee and of every person who shall be engaged in business
20 contemplated by this act. For this purpose the Secretary of
21 Banking shall have free access to the offices and places of
22 business, books, accounts, papers, records, documents, files,
23 safes and vaults of all such persons. A person, who is not
24 licensed under this act, shall be presumed to be engaged in
25 business contemplated by this act if he advertises or solicits
26 business for which a license is required by the provisions of
27 this act, and the Secretary of Banking, and any person
28 designated by him for that purpose, is in such cases authorized
29 to examine the books, accounts, papers, records, documents,
30 files, safes and vaults of such persons for the purpose of

1 discovering violations of this act. The cost for examinations
2 shall be paid by the licensee, or a person who is not licensed
3 under this act but presumed to be engaged in business
4 contemplated by this act.

5 Section 5. This act shall take effect in 60 days.