

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2656 Session of
1996

INTRODUCED BY HASTE, ARMSTRONG, TIGUE, MERRY, SATHER, SAYLOR,
TRELLO, SEMMEL, YOUNGBLOOD, PISTELLA, TRAVAGLIO, HENNESSEY,
TRICH, CLARK, STABACK, HORSEY, MARSICO, MYERS, WILLIAMS AND
STEELMAN, MAY 23, 1996

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
MAY 23, 1996

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," requiring notice of the filing of a mortgage
24 foreclosure action to be sent to certain persons.

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

27 Section 1. The act of January 30, 1974 (P.L.13, No.6),

1 referred to as the Loan Interest and Protection Law, is amended
2 by adding a section to read:

3 Section 403.1. Notice of Action to Foreclose Mortgage.--If
4 an action is filed under the Pennsylvania Rules of Civil
5 Procedure to foreclose a mortgage, the plaintiff at the time of
6 filing the complaint shall certify to the prothonotary the age
7 of the mortgagor. If the mortgagor is sixty years of age or
8 older, the action shall be stayed for a period of sixty days
9 from the date the complaint is filed. Within three days after
10 the complaint has been filed, the prothonotary shall send by
11 first class mail the following notice in large print form with
12 eighteen-point or larger text to the mortgagor:

13 A COMPLAINT HAS BEEN FILED IN THE COURT OF COMMON PLEAS
14 OF (COUNTY) TO FORECLOSE THE MORTGAGE ON (ADDRESS OF REAL
15 PROPERTY). IF THIS PROPERTY IS YOUR PRIMARY RESIDENCE AND IF
16 YOU ARE 60 YEARS OF AGE OR OLDER, CONTACT THE AREA AGENCY ON
17 AGING (TELEPHONE NUMBER) FOR POSSIBLE ASSISTANCE.

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