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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 1097** Session of  
2005

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INTRODUCED BY BROWNE, BELFANTI, CALTAGIRONE, CAPPELLI, CLYMER,  
CORRIGAN, CREIGHTON, FREEMAN, GEIST, JAMES, KIRKLAND,  
MCILHATTAN, R. MILLER, MUNDY, O'NEILL, REICHLEY, ROHRER,  
RUBLEY, E. Z. TAYLOR, THOMAS, TIGUE, WALKO AND YOUNGBLOOD,  
MARCH 24, 2005

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REFERRED TO COMMITTEE ON INSURANCE, MARCH 24, 2005

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AN ACT

1 Regulating the amount of property insurance coverage required by  
2 certain lenders.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Mortgage  
7 Property Insurance Coverage Act.

8 Section 2. Definitions.

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

12 "Lender." Any bank, savings bank, savings and loan  
13 association, credit union, mortgage bank, mortgage broker,  
14 finance company, consumer discount company or other financial  
15 institution or person that lends money to a borrower and secures  
16 the loan by a mortgage given by the borrower on real property or

1 by placing a lien against real property.

2 "Property insurance coverage." Real property insurance  
3 against losses caused by perils that commonly are covered in  
4 insurance policies described with terms similar to "standard  
5 fire" or "standard fire with extended coverage."

6 Section 3. Restriction.

7 No lender may require a borrower, as a condition of obtaining  
8 or maintaining a secured loan, to obtain property insurance  
9 coverage which exceeds the replacement value of buildings and  
10 structures situate on the land used to secure the loan. A  
11 borrower on a loan secured by real property may not be required  
12 to insure the value of the land.

13 Section 10. Effective date.

14 This act shall take effect immediately.