

COMMONWEALTH OF PENNSYLVANIA

Legislative Journal

WEDNESDAY, MARCH 25, 1981

SESSION OF 1981

165TH OF THE GENERAL ASSEMBLY

No. 18

HOUSE OF REPRESENTATIVES

The House convened at 10 a.m., e.s.t.

THE SPEAKER (MATTHEW J. RYAN) IN THE CHAIR

PRAYER

REV. DARWYN J. NACE, chaplain of the House of Representatives and pastor of Felton Bethany United Methodist Church, Felton, Pennsylvania, offered the following prayer:

Let us share together in prayer:

Our Heavenly Father, we come to You with humble hearts. You have blessed us in so many ways, and even at this morning hour we are feeling the warmth of the spring's sunshine. We see the birth in the plants and trees around us. Forgive us when we take these things for granted. At a time when we are making decisions, grant us wisdom to make the right choice and always turn to You for the help and guidance that we need day by day. So often we approach Thy throne of grace only when problems arise. Grant us insight and knowledge in trying times, for we ask these blessings in the Master's name. Amen.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was enunciated by members.)

JOURNAL APPROVED

The SPEAKER. The Journal of Monday, March 16, 1981, is now in print. Are there corrections to the Journal?

If not, and without objection, the Journal stands approved. The Chair hears none.

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, approval of the Journal of March 24, 1981, will be postponed until printed.

HOUSE BILLS INTRODUCED AND REFERRED

No. 978 By Representatives MORRIS, SHUPNIK, KUKOVICH, COLAFELLA, HOEFFEL, EVANS, CLARK, GRAY, CALTAGIRONE, LETTERMAN, DOMBROWSKI and DeMEDIO

An Act amending the act of June 28, 1895 (P. L. 408, No. 289), entitled, as amended, "A supplement to the twenty-fourth section of an act, entitled 'An act to provide revenue by taxation, approved the seventh day of June, one thousand eight hundred and seventy-nine,' approved the first day of June, one thousand eight hundred and eighty-nine, amending the twenty-fourth section, by providing for the payment by the State Treasurer of the two per centum tax on premiums paid by foreign fire insurance companies to the treasurers of the several cities, towns, townships, and boroughs, within this Commonwealth," further providing for the taxation of insurance companies offering fire insurance policies within the Commonwealth.

Referred to Committee on INSURANCE, March 25, 1981.

No. 979 By Representatives STEIGHNER, DeVERTER, D. R. WRIGHT, O'DONNELL, GALLAGHER, DeMEDIO and DAVIES

An Act amending "The Administrative Code of 1929," approved April 9, 1929 (P. L. 177, No. 175), authorizing credit union payroll deductions for employes of any State college or State university.

Referred to Committee on EDUCATION, March 25, 1981.

No. 980 By Representatives STEIGHNER, D. R. WRIGHT and F. E. TAYLOR

An Act amending "The County Code," approved August 9, 1955 (P. L. 323, No. 130), further providing for change of class.

Referred to Committee on LOCAL GOVERNMENT, March 25, 1981.

No. 981 By Representatives DORR, BOYES, KENNEDY, SWEET, MERRY, MADIGAN, BOWSER, PICCOLA, SPENCER, DeVERTER, PITTS, GRUPPO, COLE, ANDERSON, LEHR, A. C. FOSTER, JR. and B. SMITH

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, further providing for the representation of the child.

Referred to Committee on JUDICIARY, March 25, 1981.

No. 982 By Representatives MORRIS, LETTERMAN, CLARK, FRYER, PETRARCA and GEORGE

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, further providing for fuel cost adjustment.

Referred to Committee on CONSUMER AFFAIRS, March 25, 1981.

**No. 983** By Representatives SPENCER and BERSON

An Act amending Titles 1 (General Provisions), 2 (Administrative Law and Procedure), 9 (Burial Grounds) and 45 (Legal Notices), \*\*\*, making editorial and conforming changes, transferring certain provisions of existing law to the Pennsylvania Consolidated Statutes and repealing certain obsolete acts and parts of acts.

Referred to Committee on JUDICIARY, March 25, 1981.

**No. 984** By Representative ALDEN

An Act amending the "Public Employe Relations Act," approved July 23, 1970 (P. L. 563, No. 195), further providing for the initiation of actions.

Referred to Committee on LABOR RELATIONS, March 25, 1981.

**No. 985** By Representatives ALDEN, COHEN, NAHILL, KUKOVICH, PRATT, MORRIS, PISTELLA, MAIALE, LASHINGER, SIEMINSKI and BLAUM

An Act providing for shared custody of children, where it is in the best interests of minor children, and providing for access to records.

Referred to Committee on JUDICIARY, March 25, 1981.

**No. 986** By Representatives ALDEN and MORRIS

An Act amending "The Administrative Code of 1929," approved April 9, 1929 (P. L. 177, No. 175), further providing for persons eligible for compensation.

Referred to Committee on JUDICIARY, March 25, 1981.

**No. 987** By Representatives ALDEN, MORRIS, PISTELLA and COCHRAN

An Act amending the act of April 27, 1927 (P. L. 465, No. 299), referred to as the Fire and Panic Act, permitting certain political subdivisions to conduct inspections in lieu of department personnel, \*\*\*, creating field offices for the Bureau of Occupational and Industrial Safety and providing penalties.

Referred to Committee on STATE GOVERNMENT, March 25, 1981.

**No. 988** By Representatives ALDEN, COHEN, COCHRAN, MRKONIC, MORRIS, McVERRY and E. Z. TAYLOR

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for annual inspection of vehicles.

Referred to Committee on TRANSPORTATION, March 25, 1981.

**No. 989** By Representatives D. R. WRIGHT, WILT, STEWART and LEHR

An Act providing for the right of grandparents to visit grandchildren in certain cases.

Referred to Committee on JUDICIARY, March 25, 1981.

**No. 990** By Representatives CORDISCO, DeMEDIO, E. H. SMITH, BELFANTI, CAPPABIANCA, COLAFELLA, GALLAGHER, PETRARCA, PUNT, LETTERMAN, CALTAGIRONE, GRUPPO, WAMBACH, COLE, STEIGHNER, DeWEESE, HALUSKA, JACKSON, BLAUM, CLARK, PISTELLA, MAIALE, COWELL, MULLEN, LUCYK, SALVATORE, GREENFIELD, TRELLO, MILLER, MRKONIC, LASHINGER, WOGAN, MORRIS, PETRONE, CIMINI, CIVERA, WOZNIAK, LLOYD, SPITZ, CUNNINGHAM, E. Z. TAYLOR and LESCOVITZ

An Act providing for the observance of March 29 of each year as Vietnam Veterans Day.

Referred to Committee on STATE GOVERNMENT, March 25, 1981.

**No. 991** By Representatives WILSON, J. L. WRIGHT, CLYMER, GALLAGHER, CORDISCO and BURNS

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, providing a procedure for the consideration of county judicial budgets.

Referred to Committee on JUDICIARY, March 25, 1981.

**No. 992** By Representatives GEORGE, ITKIN, A. K. HUTCHINSON, LETTERMAN, McCALL, STAIRS, LEVI, IRVIS, DeMEDIO, WACHOB, HALUSKA, MORRIS, RITTER, TRELLO, LIVENGOOD, BELFANTI, DeWEESE, FEE, H. WILLIAMS, MAIALE, OLIVER, BELOFF, MANDERINO, KUKOVICH, PISTELLA, STEWART, McMONAGLE, SEVENTY, D. R. WRIGHT, MICHLOVIC, MURPHY, FRYER, LEVIN, GALLAGHER, PETRARCA, HARPER, WIGGINS, BARBER, SPITZ, FREIND, LEHR, LAUGHLIN, ZWIKL, PUNT, DUFFY, HORGOS, OLASZ, WOZNIAK, PETRONE, GRUITZA, BERSON, CLARK, MISCEVICH, F. E. TAYLOR, KOWALYSHYN, COLE, COLAFELLA, BORSKI, EVANS, CAWLEY, GRIECO, CIMINI, SHUPNIK, WARGO, RYBAK, TIGUE, CAPPABIANCA, LESCOVITZ, O'DONNELL, LUCYK, DOMBROWSKI, COWELL, GREENFIELD, J. D. WILLIAMS, BLAUM, CORDISCO, STUBAN, SHOWERS, WAMBACH, TELEK, RASCO, HAYES, MADIGAN, RIEGER, CALTAGIRONE, BURNS, DEAL, COHEN, COCHRAN, DONATUCCI, SWAIM, BROWN, VAN HORNE, COSLETT, HASAY,

PHILLIPS, BELARDI, SERAFINI,  
MICOZZIE, CIVERA, McINTYRE, SWIFT,  
WENGER and HAGARTY

An Act amending the "Surface Mining Conservation and Reclamation Act," approved May 31, 1945 (P. L. 1198, No. 418), providing liability for certain damages as a result of surface mining activity; providing for arbitration of certain claims and imposing additional limitations on certain mine operators and owners.

Referred to Committee on JUDICIARY, March 25, 1981.

**No. 993** By Representatives SERAFINI, BELARDI,  
CAWLEY and WARGO

An Act making an appropriation to the Cerebral Palsy Society of Lackawanna County.

Referred to Committee on APPROPRIATIONS,  
March 25, 1981.

**No. 994** By Representatives DeVERTER, GALLEN,  
MULLEN, FREIND, HONAMAN, DORR,  
ZWIKL, DUFFY, COWELL, COHEN,  
FRYER, HEISER, SIEMINSKI, GRUPPO,  
MACKOWSKI, PICCOLA, SIRIANNI,  
ARMSTRONG, DURHAM, CORNELL,  
DAIKELER, GLADECK, NAHILI and  
STEVENS

An Act amending Title 71 (State Government) of the Pennsylvania Consolidated Statutes, further providing for the administration, management and investment of certain funds.

Referred to Committee on STATE GOVERNMENT,  
March 25, 1981.

**No. 995** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
MANDERINO, BERSON, WHITE and  
DEAL

An Act amending "The Third Class City Code," approved June 23, 1931 (P. L. 932, No. 317), further providing for award of contracts.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 996** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
MANDERINO, BERSON, WHITE, DEAL  
and EVANS

An Act amending "The First Class Township Code," approved June 24, 1931 (P. L. 1206, No. 331), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 997** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
MANDERINO, BERSON, WHITE, DEAL  
and EVANS

An Act amending the "Public School Code of 1949," approved March 10, 1949 (P. L. 30, No. 14), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 998** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, EVANS, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
DEAL, MANDERINO, WHITE and  
BERSON

An Act amending "The Third Class City Code," approved June 23, 1931 (P. L. 932, No. 317), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 999** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, EVANS, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
DEAL, MANDERINO, WHITE and  
BERSON

An Act authorizing business set-asides for minority and small businesses by certain municipalities.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 1000** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, EVANS, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
DEAL, MANDERINO, WHITE and  
BERSON

An Act authorizing business set-asides for minority and small businesses by political subdivisions.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 1001** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, EVANS, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
DEAL, MANDERINO, WHITE and  
BERSON

An Act amending "The County Code," approved August 9, 1955 (P. L. 323, No. 130), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 1002** By Representatives RICHARDSON, IRVIS,  
WIGGINS, BARBER, EVANS, COHEN,  
J. D. WILLIAMS, OLIVER, HARPER,  
DEAL, MANDERINO, BERSON and  
WHITE

An Act amending "The Borough Code," approved February 1, 1966 (1965 P. L. 1656, No. 581), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND  
COMMERCE, March 25, 1981.

**No. 1003** By Representatives RICHARDSON, IRVIS, WIGGINS, BARBER, EVANS, COHEN, J. D. WILLIAMS, OLIVER, HARPER, DEAL, MANDERINO, BERSON and WHITE

An Act amending "The Second Class Township Code," approved May 1, 1933 (P. L. 103, No. 69), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND COMMERCE, March 25, 1981.

**No. 1004** By Representatives RICHARDSON, IRVIS, WIGGINS, BARBER, EVANS, COHEN, J. D. WILLIAMS, OLIVER, HARPER, DEAL, MANDERINO, BERSON, WHITE and COLAFELLA

An Act amending "Second Class County Code," approved July 28, 1953 (P. L. 723, No. 230), authorizing business set-asides for minority and small businesses.

Referred to Committee on BUSINESS AND COMMERCE, March 25, 1981.

**No. 1005** By Representatives BELARDI, SERAFINI, CAWLEY and WARGO

An Act making an appropriation to the Lackawanna County Association for the Blind.

Referred to Committee on APPROPRIATIONS, March 25, 1981.

**No. 1006** By Representatives BELARDI, SERAFINI, CAWLEY, WARGO, SIRIANNI, W. W. FOSTER, HASAY, COSLETT, TIGUE, BLAUM, MADIGAN and STEVENS

An Act making an appropriation to the Everhart Museum in Scranton.

Referred to Committee on APPROPRIATIONS, March 25, 1981.

**No. 1007** By Representatives E. Z. TAYLOR, PITTS and VROON

An Act amending the "Mental Health and Mental Retardation Act of 1966," approved October 20, 1966 (3rd Sp. Sess., P. L. 96, No. 6), further providing for grants to counties or administrative units.

Referred to Committee on HEALTH AND WELFARE, March 25, 1981.

**No. 1008** By Representative PITTS

An Act amending the act of June 22, 1931 (P. L. 594, No. 203), referred to as the Township State Highway Law, amending a route in Chester County.

Referred to Committee on TRANSPORTATION, March 25, 1981.

**No. 1009** By Representatives PITTS, E. H. SMITH, E. Z. TAYLOR and VROON

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for vehicles exempt from registration.

Referred to Committee on TRANSPORTATION, March 25, 1981.

**No. 1010** By Representatives BURNS, GALLAGHER and LETTERMAN

An Act amending "The Library Code," approved June 14, 1961 (P. L. 324, No. 188), authorizing the State Library to promote and support cooperation among the various types of libraries in Pennsylvania.

Referred to Committee on EDUCATION, March 25, 1981.

**No. 1011** By Representatives PITTS, E. Z. TAYLOR, VROON and E. H. SMITH

An Act amending the "Public School Code of 1949," approved March 10, 1949 (P. L. 30, No. 14), further providing for programs for development of citizenship and patriotism.

Referred to Committee on EDUCATION, March 25, 1981.

#### HOUSE RESOLUTIONS INTRODUCED AND REFERRED

**No. 37** By Representatives ALDEN, POTT, COHEN, PRATT, MRKONIC, MORRIS, PISTELLA, BROWN, E. Z. TAYLOR and SIEMINSKI

Speaker appoint a committee to investigate practices, management and administration of Liquor Control Board and State store system.

Referred to Committee on RULES, March 25, 1981.

**No. 38**  
(Concurrent) By Representatives LAUGHLIN, STEWART, WOZNIAK, HALUSKA, GRAY, PETRARCA, GAMBLE, MISCEVICH, TRELLO and PRATT

General Assembly reject sentencing guidelines adopted by Pennsylvania Commission on Sentencing.

Referred to Committee on RULES, March 25, 1981.

**No. 39** By Representatives E. H. SMITH, DeMEDIO, LEHR, HAYES, WARGO, MRKONIC, HASAY, HORGOS, DUFFY, PETRONE, CIMINI, GRIECO, KLINGAMAN, STEVENS, DeVERTER, COLE, STUBAN, LEVI, PITTS, MANMILLER, REBER, SIEMINSKI, SHUPNIK and SNYDER

House memorialize President and Congress establish a Tomb of Unknown for Vietnam War.

Referred to Committee on RULES, March 25, 1981.

**SENATE BILLS FOR CONCURRENCE**

The clerk of the Senate presented the following bills for concurrence:

**SB 31, PN 406**

Referred to Committee on Local Government, March 25, 1981

**SB 133, PN 407**

Referred to Committee on Local Government, March 25, 1981

**SB 134, PN 408**

Referred to Committee on Local Government, March 25, 1981

**SB 140, PN 140**

Referred to Committee on Local Government, March 25, 1981

**SB 254, PN 255**

Referred to Committee on Local Government, March 25, 1981

**SB 405, PN 411**

Referred to Committee on State Government, March 25, 1981

**LEAVE OF ABSENCE GRANTED**

The SPEAKER. The Chair recognizes the majority whip for the purpose of leaves of absence.

Mr. CESSAR. I request a leave of absence for the gentleman from Allegheny County, Representative McVERRY, for today's session.

The SPEAKER. Without objection, leave is granted. The Chair hears none.

The Chair recognizes the gentleman from Philadelphia, Mr. PIEVSKY, for leaves of absence.

Mr. PIEVSKY. Mr. Speaker, there are no leaves at this time requested.

**MASTER ROLL CALL RECORDED**

The SPEAKER. The Chair is about to take the master roll call. Only those members in their seats are permitted to vote. Members will proceed to vote.

The following roll call was recorded:

**PRESENT—198**

Alden	Emerson	Lewis	Rybak
Anderson	Evans	Livengood	Salvatore
Armstrong	Fee	Lloyd	Saurman
Arty	Fischer	Lucyk	Serafini
Barber	Fleck	McCall	Seventy
Belardi	Foster, W. W.	McClatchy	Showers
Belfanti	Frazier	McIntyre	Shupnik
Beloff	Freind	McMonagle	Sieminski
Berson	Fryer	Mackowski	Sirianni
Bittle	Gallagher	Madigan	Smith, B.
Blaum	Gallen	Maiale	Smith, E. H.
Borski	Gamble	Manderino	Smith, L. E.

Bowser	Gannon	Manmiller	Snyder
Boyes	Geist	Marmion	Spencer
Brandt	George	Merry	Spitz
Brown	Gladeck	Micozzie	Stairs
Burd	Grabowski	Miller	Steighner
Burns	Gray	Miscevich	Stevens
Caltagirone	Greenfield	Moehlmann	Stewart
Cappabianca	Greenwood	Morris	Suban
Cawley	Grieco	Mowery	Swaim
Cessar	Gruitza	Mrkonic	Sweet
Cimini	Gruppo	Mullen	Swift
Civera	Hagarty	Murphy	Taddonio
Clark	Haluska	Nahill	Taylor, E. Z.
Clymer	Harper	Noye	Taylor, F. E.
Cochran	Hasay	O'Donnell	Telek
Cohen	Hayes	Olasz	Tigue
Colafrilla	Heiser	Oliver	Trello
Cole	Hoefel	Pendleton	Van Horne
Cordisco	Honaman	Perzel	Vroon
Cornell	Horgos	Peterson	Wachob
Coslett	Hutchinson, A.	Petrarca	Wambach
Cowell	Hutchinson, W.	Petrone	Wargo
Cunningham	Irviss	Phillips	Wass
DeMedio	Itkin	Piccola	Wenger
DeVerter	Jackson	Pievsky	Weston
DeWeese	Johnson	Pistella	White
Daikeler	Kanuck	Pitts	Wiggins
Davies	Kennedy	Pott	Williams, H.
Dawida	Klingaman	Pratt	Williams, J. D.
Deal	Kowalyshyn	Pucciarelli	Wilson
Dietz	Kukovich	Punt	Wogan
Dininni	Lashinger	Rappaport	Wozniak
Dombrowski	Laughlin	Rasco	Wright, D. R.
Donatucci	Lehr	Reber	Wright, J. L.
Dorr	Lescovitz	Richardson	Zwikl
Duffy	Letterman	Rieger	
Durham	Levi	Ritter	Ryan,
Earley	Levin	Rocks	Speaker

**ADDITIONS—2**

Foster, Jr., A. Michlovic

**NOT VOTING—0**

**EXCUSED—3**

Kolter McVerry Wilt

**CALENDAR**

**BILL ON SECOND CONSIDERATION RECOMMENDED**

The House proceeded to second consideration of **HB 720, PN 1019**, entitled:

An Act amending the "Public Welfare Code," approved June 13, 1967 (P. L. 31, No. 21), further providing for the authority of the department as to investigation and enforcement and changing certain penalties; requiring all checks for assistance to contain the recipient social security number; \*\*\*; and authorizing a priority employment services program and an employment opportunities incentive program.

On the question,  
Will the House agree to the bill on second consideration?

The SPEAKER. The Chair recognizes the majority leader.  
Mr. HAYES. Mr. Speaker, I move that HB 720 be recommended to the Appropriations Committee for a fiscal note.

On the question,

Will the House agree to the motion?  
Motion was agreed to.

**MEMBERS' PRESENCE RECORDED**

The SPEAKER. The following members ask that their names be added to the master roll:

The gentleman from York, Mr. A. C. Foster, and the gentleman from Allegheny, Mr. Michlovic.

**BILL ON THIRD CONSIDERATION**

The House proceeded to third consideration of **HB 521, PN 751**, entitled:

An Act providing for ridesharing arrangements and providing that certain laws shall be inapplicable to ridesharing arrangements.

On the question,

Will the House agree to the bill on third consideration?

Mr. KUKOVICH offered the following amendment No. A432:

Amend Sec. 5, page 3, by inserting between lines 15 and 16 (d) Insurers shall not increase any premium because a motor vehicle is used in a carpooling arrangement if the driving share of the insured is equal to that of each individual participant in the carpool.

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Kukovich.

Mr. KUKOVICH. This is a very simple amendment. It deals with the insurance relationship that this bill has if someone decides to car-pool. In the original version of the bill, language was initially written that prevented an increase in a consumer's insurance if they were involved in a ride-sharing arrangement. That language was stricken in committee, and, although I am not trying to restore that precise language, I am trying to restore language that will prevent insurance companies from increasing someone's premium solely because they are car-pooling, especially if the percentage of time that they are driving is equal to that of each individual participant in the ride-sharing arrangement, the purpose being that in actuality, when an individual begins to ride-share, they reduce their potential for liability. We do not feel that insurance companies should therefore raise someone's insurance.

The intentions of this bill are to encourage ride-sharing and car-pooling. To omit language that is in this amendment would be a disincentive. We need this type of amendment to make sure that that incentive still exists. I have recently been in contact with the director of car-pooling in the State of New Jersey, and that office has informed me that in New Jersey individuals involved in ride-sharing are saving between 15 and 25 percent on their car insurance premiums. All we are trying to say in this amendment is that they cannot raise someone's insurance premium, and I would suggest that you support the amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Taddonio.

Mr. TADDONIO. Mr. Speaker, currently insurance rates for people in car pools are less than the regular premium because of the reduced exposure, and I think that we are really not adding anything to the bill with this amendment, although I really do not think we are taking anything away either. So I have no objections to it, although I do not think it is necessary.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

**YEAS—176**

Alden	Fleck	Livengood	Rocks
Anderson	Foster, W. W.	Lloyd	Rybak
Armstrong	Foster, Jr., A.	Lucyk	Salvatore
Arty	Frazier	McCall	Serafini
Barber	Fryer	McIntyre	Seventy
Belardi	Gallagher	McMonagle	Showers
Belfanti	Gallen	Mackowski	Shupnik
Beloff	Gamble	Madigan	Sieminski
Berson	Gannon	Maiale	Sirianni
Bittle	Geist	Manderino	Smith, B.
Blaum	George	Manmiller	Smith, E. H.
Borski	Gladeck	Marmion	Snyder
Brandt	Grabowski	Merry	Spencer
Brown	Gray	Michlovic	Steighner
Burd	Greenfield	Micozzie	Stevens
Burns	Greenwood	Miller	Stewart
Caltagirone	Grieco	Miscevich	Stuban
Cappabianca	Gruppo	Moehlmann	Swaim
Cawley	Hagarty	Morris	Sweet
Cessar	Haluska	Mowery	Swift
Citini	Harper	Mrkonc	Taddonio
Civera	Hasay	Mullen	Taylor, E. Z.
Clark	Hayes	Murphy	Taylor, F. E.
Cochran	Heiser	Noye	Telek
Cohen	Hoeffel	O'Donnell	Tigue
Colafella	Honaman	Olasz	Trello
Cole	Horgos	Oliver	Van Horne
Cordisco	Hutchinson, A.	Pendleton	Wachob
Coslett	Hutchinson, W.	Peterson	Wambach
Cowell	Irvic	Petrarca	Wargo
Cunningham	Itkin	Petrone	Wenger
DeMedio	Jackson	Phillips	White
DeWeese	Johnson	Piccola	Wiggins
Dawida	Kanuck	Pievsky	Williams, H.
Deal	Kennedy	Pistella	Williams, J. D.
Dietz	Kowalshyn	Pitts	Wilson
Dininni	Kukovich	Pratt	Wogan
Dombrowski	Lashinger	Pucciarelli	Wozniak
Donatucci	Laughlin	Punt	Wright, D. R.
Duffy	Lehr	Rasco	Wright, J. L.
Durham	Lescovitz	Reber	Zwinkl
Emerson	Letterman	Richardson	
Evans	Levi	Rieger	Ryan,
Fee	Levin	Ritter	Speaker
Fischer	Lewis		

**NAYS—17**

Bowser	Daikeler	Klingaman	Smith, L. E.
Boyes	Davies	Nahill	Vroon
Clymer	Dorr	Pott	Wass
Cornell	Freind	Saurman	Weston
DeVertier			

**NOT VOTING—7**

Earley	McClatchy	Rappaport	Stairs
Gruitza	Perzel	Spitz	

EXCUSED—3

Kolter McVerry Wilt

The question was determined in the affirmative, and the amendment was agreed to.

On the question,

Will the House agree to the bill on third consideration as amended?

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

YEAS—192

Alden	Emerson	Lewis	Rocks
Anderson	Evans	Livengood	Rybak
Armstrong	Fec	Lloyd	Salvatore
Arty	Fischer	Lucyk	Saurman
Barber	Fleck	McCall	Serafini
Belardi	Foster, W. W.	McClatchy	Seventy
Belfanti	Foster, Jr., A.	McIntyre	Showers
Beloff	Frazier	McMonagle	Shupnik
Berson	Freind	Mackowski	Sieminski
Bittle	Fryer	Madigan	Sirianni
Blaum	Gallagher	Maiale	Smith, B.
Borski	Gallen	Manderino	Smith, E. H.
Bowser	Gamble	Manmiller	Smith, L. E.
Boyes	Gannon	Marmion	Snyder
Brandt	Geist	Merry	Spencer
Brown	George	Michlovic	Steighner
Burd	Gladeck	Micozzie	Stevens
Burns	Grabowski	Miller	Stewart
Caltagirone	Greenfield	Miscevich	Struban
Cappabianca	Greenwood	Mochlmann	Swaim
Cawley	Grieco	Morris	Swift
Cessar	Gruppo	Mowery	Taddonio
Cimini	Hagarty	Mrkonic	Taylor, E. Z.
Civera	Haluska	Mullen	Taylor, F. E.
Clark	Harper	Murphy	Telek
Clymer	Hasay	Nahill	Tigue
Cochran	Hayes	Noye	Trello
Cohen	Heiser	O'Donnell	Van Horne
Colafella	Hoeffel	Olasz	Vroon
Cole	Honaman	Oliver	Wachob
Cordisco	Horgos	Pendleton	Wambach
Cornell	Hutchinson, A.	Peterson	Wargo
Coslett	Hutchinson, W.	Petrarca	Wass
Cowell	Irvis	Petrone	Wenger
Cunningham	Itkin	Phillips	Weston
DeMedio	Jackson	Piccola	White
DeVerter	Johnson	Pievsky	Wiggins
DeWeese	Kanuck	Pistella	Williams, H.
Daikeler	Kennedy	Pitts	Williams, J. D.
Davies	Klingaman	Pott	Wilson
Dawida	Kowalshyn	Pratt	Wogan
Deal	Kukovich	Pucciarelli	Wozniak
Dietz	Lashingner	Punt	Wright, D. R.
Dininni	Laughlin	Rasco	Wright, J. L.
Dombrowski	Lehr	Reber	Zwilk
Donatucci	Lescovitz	Richardson	
Dorr	Letterman	Rieger	Ryan,
Duffy	Levi	Ritter	Speaker
Durham	Levin		

NAYS—0

NOT VOTING—8

Earley Gruitza Rappaport Stairs  
Gray Perzel Spitz Sweet

EXCUSED—3

Kolter McVerry Wilt

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative.

Ordered, That the clerk present the same to the Senate for concurrence.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Gray.

Mr. GRAY. Mr. Speaker, I did not vote on that last bill. Would you please record me in the affirmative on HB 521?

The SPEAKER. The remarks of the gentleman will be spread upon the record.

BILLS ON THIRD CONSIDERATION POSTPONED

Agreeable to order,

The bill having been called up from the postponed calendar by Mr. L. E. SMITH, the House resumed third consideration of **HB 103, PN 819**, entitled:

An Act amending the "Banking Code of 1965," approved November 30, 1965 (P. L. 847, No. 356), further providing for renegotiable mortgages and for the elimination of the Banking Board.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. COHEN offered the following amendment No. A480:

Amend Sec. 1(Sec. 310), page 2, line 22, by striking out all of said line and inserting  
this section, the following further conditions shall apply:

(1) the amount of increase in the per annum interest rate on a renegotiable rate mortgage may not exceed five percent between the date of the loan and the date of maturity: Provided however, That the maximum rate increase or decrease shall be five percent over the life of the mortgage;

(2) interest rate increases warranted by increases in the chosen index may be imposed at the bank's option, but decreases are mandatory;

(3) the mortgagee must be given, along with the

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Hutchinson.

Mr. A. K. HUTCHINSON. I would like to say a few words of thanking Sam, the majority leader, on a job well done. I think the summary of amendments is very nice.

The SPEAKER. On the question of the amendments, the Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, what this amendment does is it clarifies the Smith amendment that was introduced last week. Mr. Smith's amendment put a 5-percent cap in this bill. His amendment did not specify in the words of the amendment whether it was a 5-percent cap over the life of the mortgage or a 5-percent cap from one renewal period to another renewal period. In answer to a question from Mr. Levin, Mr. Smith said that his intent was 5 percent over the life of the mortgage.

### MOTION TO RECOMMIT

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Petrone. For what purpose does the gentleman rise?

Mr. PETRONE. Mr. Speaker, at this time I would like to make a motion to recommit HB 103 to the Business and Commerce Committee for further study and public hearings, and I believe it would be in the best interest of all of us here.

The SPEAKER. The gentleman is in order.

On the question,  
Will the House agree to the motion?

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I would ask the members to oppose this motion.

This legislation that we have been dealing with—we are now going into the third day—is very important. The regulations governing national banks were signed Monday evening. They will be published in the Federal Register on Friday and they will become effective immediately. If we do not deal with this subject, we are going to immediately create an imbalance between the state-chartered banks and the national banks in Pennsylvania. I think one of the basic questions that we have to ask ourselves here today is, are we interested in preserving the dual banking system in Pennsylvania or do we want to send it all to Washington? If you have an interest in the dual banking system, you should resist this motion to recommit, deal with the amendments that are going to be offered here today, and send this bill to the Senate. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Petrone.

Mr. PETRONE. Mr. Speaker, to my colleague and to the members of the House, I would like to point out that the Federal guidelines in fact have not been handed down to clarify this particular bill, and the savings and loan association and many of its members are in favor of this recommitment for further study and to take more time to study the amendments and possible ramifications.

The SPEAKER. The Chair recognizes the gentleman from Lawrence, Mr. Pratt.

Mr. PRATT. Mr. Speaker, may I interrogate the gentleman, Mr. Smith?

The SPEAKER. The gentleman consents. You may proceed.

Mr. PRATT. Mr. Speaker, could you tell me when HB 103 was introduced and referred to the Business and Commerce Committee?

Mr. L. E. SMITH. That information is in the History very clearly. I do not have a History here.

Mr. PRATT. I believe it was January 19, 1981.

Mr. Speaker, can you tell me when that bill was reported from committee as amended?

Mr. L. E. SMITH. When I get a History, I will read it for you.

The SPEAKER. Does the gentleman, Mr. Pratt, have the information available?

Mr. PRATT. Yes. It was January 27, 1 week later.

Mr. Speaker, can you tell me how many amendments we have considered thus far on this bill?

Mr. L. E. SMITH. No. I do not know. It is too many, I know that.

Mr. PRATT. Has it been over 20?

Mr. L. E. SMITH. Probably.

Mr. PRATT. Mr. Speaker, could you tell me how many more amendments we will consider to HB 103?

Mr. L. E. SMITH. No. I cannot predict that.

Mr. PRATT. Would it be 20, 30?

Mr. L. E. SMITH. Possibly.

Mr. PRATT. Mr. Speaker, could you tell me whether or not you have had an opportunity or any member of this House has had an opportunity to carefully read, digest, and compare the provisions of the Federal regulations that were enacted on Monday relative to HB 103 and exactly what those provisions do for the nationally chartered commercial banks?

### PARLIAMENTARY INQUIRY

The SPEAKER. The Chair recognizes the gentleman from Tioga, Mr. Spencer.

Mr. SPENCER. Point of parliamentary inquiry.

Is the interrogation taking place now permissible under the rules on a motion to recommit?

Mr. PRATT. Mr. Speaker, I believe the interrogation is in line because

The SPEAKER. The gentleman will yield.

Debate is limited on a motion such as this to the reasons for or against recommitment. If part of those reasons can be reached only by interrogation, the Chair would rule then that the interrogation would be proper. However, the Chair would suggest to the gentleman that when he has information available and the other member does not, he simply give it rather than attempt to drag out this proceeding by asking questions, the answers to which he already knows.

Mr. PRATT. I apologize to the House, Mr. Speaker. My first two questions I had the answer to, but the following questions I did not.

To continue on the Federal regulations, Mr. Speaker, have these regulations been reviewed and compared to HB 103?

Mr. L. E. SMITH. I have reviewed them.

Mr. PRATT. Have the other members of the House or the Business and Commerce Committee reviewed them?



Mr. L. E. SMITH. I do not know that.

Mr. PRATT. Mr. Speaker, that is the end of my interrogation. A brief comment on the recommittal motion.

The SPEAKER. The gentleman is in order.

Mr. PRATT. Mr. Speaker, we have taken much too long on this bill on the floor of this House. These amendments, the issues, the problems dealing with them could have been easily considered in the committee. We could have saved a lot of people's time; we could have reported out a clean bill, and now that the new Federal regulations are out dealing with the nationally chartered commercial banks, I think we should take the time in committee, deal with those Federal regulations, compare them to what should be in HB 103 if we truly want parity between state and Federal banks. We cannot accomplish that on the floor of this House. We have ramroded that bill through the Business and Commerce Committee. It was in the committee for 1 week. It was considered probably for about 20 minutes in the committee. I think that the bill deserves much, much more, and I support the recommittal motion.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, I rise to oppose the motion to recommit.

Mr. Speaker, some problems we can study for years and years and years and have hearings all over the state. We have been talking about the state store system for years, and we will probably talk about it for more years. That is not saying how I feel about that issue, but that is my estimate of what is going to happen with the bill.

However, in this area decisions are being made. They are not being made in Pennsylvania; they are being made in Washington, and by trying to avoid this issue, we will permit the decisions to be made by default in Washington and in the money markets of the world, and that is pure and simple. If we do not face this issue of parity for state institutions, however you are going to vote on it—and I will discuss that at another time; it is not proper on this motion—then the state-chartereds that can qualify, the large ones, will get their lawyers and they will fill out the papers and they will go down to Washington and get a Federal charter and the decision will have been made. Of course you can go home and posture about it after it is all over, but all your local institutions are going to have Federal charters and they are going to thumb their noses at you, and that is what is going on.

So let us discuss the issue; let us do it on the floor, because I can assure you that the bill will come right out of the Business and Commerce Committee and these same amendments will be put up when the bill comes out again. So we are not saving any time, and I would suggest we face the issues now and fight it out here all day and all night if we have to, and let us bite the bullet right now. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. I would rise in support of the recommittal motion. I think there has been entirely too much confusion about this issue. I think what was written in the newspaper the

other day—and that has been reported to various sources here in the House—we ought to really study what they did. No one here, I do not believe, has been privy to all the rules and regulations that the Federal Comptroller of the Currency has written. Does anybody here have a copy of them? Okay, one man has a copy of them. The chairman of the committee has a copy of them. Do the 202 other members have a copy of those rules and regulations? Does anybody here have a copy of them besides the chairman? I do not have. Of course, maybe I do not have the right connections to get them quickly. I tried to get them yesterday.

I think that we have a major problem in semantics in the regulations that the Federal people have seen fit to come forth with. I think in HB 103 we are addressing one animal that the Federal Government has addressed in an umbrella effect. They have addressed the problem of adjustable-rate mortgages in this country, and renegotiable-rate mortgages are only one part under that umbrella, and I think until we fully understand that and understand the farreaching implications of it, we ought to sit down and in calm and quiet put together a good bill in HB 103, and, therefore, I recommend recommittal of HB 103.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pistella.

Mr. PISTELLA. Mr. Speaker, I rise to support the motion of Mr. Petrone to recommit this bill.

At the very first committee meeting in which HB 103 was presented, there were a number of questions that I felt had to be answered. They had to be answered either by the Secretary of Banking or adequate representatives of the banking industry. At no time during the course of the committee meeting did anyone profess to be an expert in economics and banking. It was merely a request to have some questions answered. So why do we not just take a moment and stop fooling ourselves? No one in this body today has any of the answers to any questions that anyone is going to ask. No one in this House right now could answer such basic questions as how much of an increase will be permitted by Federal regulation over the life of a mortgage? How much of a maximum increase could be allowed between a period of renegotiation? Why do we not sit back for a moment, realize the necessity and the crucialness of this issue, recommit it to the Business and Commerce Committee, compare the regulations that have been proposed and accepted by the Comptroller of the Currency, look at the 30 amendments that have been offered, reach a viable solution to the problem, and run the bill, instead of sitting here playing circus maximus to see who can offer the most amendments to completely ruin a bill that no one knows what the heck it means anyhow? I would encourage everyone to support the motion to recommit. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. I would like to respond to some of the statements that have been made here.

The SPEAKER. The gentleman is in order and may proceed.

Mr. L. E. SMITH. First of all, the gentleman, Mr. Petrone, who made the motion, referred to savings and loan associations. This bill has nothing at all to do with savings and loan associations. It takes three words out of the Banking Code which would permit state-chartered banks to make adjustable-rate mortgages.

Now, in response to Mr. Pratt, this is the second time I have heard on the floor of the House that this bill was ramroded through the Business and Commerce Committee. I want to make it absolutely clear that the minority staff member representing the minority chairman sat in on two separate days of meetings when we decided that we were going to amend HB 103 in committee. Now, I do not know if that staff member or if the minority chairman does not communicate with his people, but this bill was not ramroded through the Business and Commerce Committee.

Now, let me say one further thing, Mr. Speaker. In answer to Mr. Pistella, I do not think he is being fair when he says no one can answer the questions. The fact of life is that the Comptroller of the Currency has already signed these regulations, and they are going to go into effect, and there is not one thing that anybody in this House of Representatives can do about that. That is a fact of life. The national banks are going to have adjustable-rate mortgages in Pennsylvania. The only question we have to ask ourselves here today is, are we going to deal with this subject and permit state-chartered banks that same privilege? And if we are not, we might as well forget it, but remember this: This issue will not go away today. If we do not deal with it, it is going to come back and come back and come back, because your people who deal with state-chartered institutions who are looking for mortgage money today are going to be asking you, why can my bank not get me a mortgage? Now, I would resist, Mr. Speaker, this effort to recommit this bill.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Evans.

Mr. EVANS. Mr. Speaker, I would like to respond and support this motion of recommitment.

The SPEAKER. Will the gentleman yield?

For what purpose does the gentleman, Mr. Taylor, rise?

Mr. TAYLOR. A comment was made about my staff, and I would like to respond to that, Mr. Speaker.

The SPEAKER. In order. The Chair has recognized the gentleman from Philadelphia, Mr. Evans.

Mr. EVANS. I would like to yield to Mr. Taylor.

The SPEAKER. The Chair recognizes the gentleman, Mr. Taylor.

Mr. TAYLOR. A comment was made concerning my staff and negotiations that went on. Let me tell you, my staff had one meeting, one meeting attended, attended one meeting of a duration of about 30 minutes. My staff did not—and I repeat, did not—make any commitment on my part. He was there for informational purposes and informational purposes only, and my staff consists of one person. I do not have a lot of staff. I only have one and he is damned good. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Evans.

Mr. EVANS. I would like to rise again, as I said, in support of the motion for recommitment, Mr. Speaker, primarily because I myself am not concerned with those Federal guidelines that Mr. Taylor or Mr. Smith expressed. I think it is important that we as members have an opportunity, particularly the freshman class, to clearly understand that this process is going to be one of deliberation and not one where we are suddenly forced with issues on the House floor and discuss it in the committee process. I say again to you, Mr. Speaker, that we have an opportunity to recommit this piece of legislation, to really scrutinize it and see exactly the effect that it will have here in the State of Pennsylvania, and that although the Federal guidelines have been passed as of Monday, I think that we here in Harrisburg have an opportunity to not move so quickly on this. So I would again ask support of the recommitment.

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, very briefly I rise to support the motion to recommit. We have listened to a great deal of rhetoric regarding the Federal regulations. Mr. Speaker, we were elected to represent the people of Pennsylvania in this House of Representatives, and I believe the people of this state expect us to act accordingly and to give proper consideration to any bill that would have the effect of almost abolishing the possibility of home ownership in this state, not the availability of mortgage money; there is plenty of that. We are talking today about raising rates beyond the ability of people to pay, and I would ask support of the motion.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Olasz.

Mr. OLASZ. Mr. Speaker, I rise in support of the recommitment motion and also to challenge Mr. Smith's statement that this body's failure to pass this bill would be responsible for the failure of many people to secure a mortgage. The plain fact of the matter is, who is kidding who? No one can afford a mortgage today. That is the fact; not that the money is not available. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Lawrence, Mr. Pratt.

Mr. PRATT. Mr. Speaker, on the motion to recommit, when I used the term "ramrod the piece of legislation through committee," if you really think about it, I week this bill is in committee. Now, do you think that is enough time to consider this bill with its wide-range ramifications? And the 203 ladies and gentlemen in this body will be called to task in future years. When someone goes to the bank for a mortgage and has to pay the interest rates with all the conditions to it, does everyone in this House know what they are voting on here today? Do you know every provision in this bill as amended? I think not. Now, I would suggest that if we do not recommit this bill back to the Business and Commerce Committee for further consideration, I would suggest we change the rules of this House and the constitution to have the Speaker direct the bill directly to the floor of this House, and let us forget about the committee system.

The SPEAKER. I might agree with that one.

The Chair recognizes the gentleman from Mifflin, Mr. DeVerter.

Mr. DeVERTER. Mr. Speaker, if there are no more discussions on the other side of the aisle, I am not going to protract the debate. I think that it is very apparent what the real issue is, and that real issue is one of a hesitancy to vote on subject matter in which many do not have the background that is needed but beyond that are afraid to justify whatever votes may be coming down the road because we do not understand it, and I think that is a poor way for us to escape our responsibility. I say we reject the motion to return the bill, and deal with it here, because as you can well imagine from those members on both sides of the aisle from the Business and Commerce Committee, this legislation is never going to get consideration until it is dealt with here on the floor, and we might as well get it over with. Thank you.

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—89

Barber	Evans	Lloyd	Ritter
Belfanti	Fee	Lucyk	Rybak
Berson	Fryer	McCall	Seventy
Blaum	Gallagher	McIntyre	Shupnik
Borski	Gamble	McMonagle	Steighner
Brown	George	Manderino	Stewart
Caltagirone	Grabowski	Michlovic	Stuban
Cappabianca	Gray	Miscevich	Swaim
Cawley	Greenfield	Mrkonjc	Sweet
Clark	Gruitza	Murphy	Taylor, F. E.
Cochran	Haluska	O'Donnell	Tigue
Cohen	Harper	Olasz	Trello
Colafella	Hoefel	Oliver	Van Horne
Cole	Horgos	Pendleton	Wachob
Cordisco	Irvis	Petrarca	Wambach
Cowell	Itkin	Petrone	Wargo
DeMedio	Kowalyszyn	Pievsy	White
DeWeese	Kukovich	Pistella	Wiggins
Dawida	Laughlin	Pratt	Williams, H.
Deal	Lescovitz	Pucciarelli	Williams, J. D.
Dombrowski	Letterman	Richardson	Wozniak
Duffy	Levin	Rieger	Wright, D. R.
Emerson			

NAYS—108

Anderson	Foster, W. W.	McClatchy	Serafini
Armstrong	Foster, Jr., A.	Mackowski	Showers
Arty	Frazier	Madigan	Sieminski
Belardi	Freind	Maiale	Sirianni
Beloff	Gallen	Manmiller	Smith, B.
Bittle	Gannon	Marmion	Smith, E. H.
Bowser	Geist	Merry	Smith, L. E.
Boyes	Gladeck	Micozzie	Snyder
Brandt	Greenwood	Miller	Spencer
Burd	Grieco	Moehlmann	Spitz
Burns	Gruppo	Morris	Stairs
Cessar	Hagarty	Mowery	Stevens
Cimini	Hasay	Nahill	Swift
Civera	Hayes	Noye	Taddonio
Clymer	Heiser	Perzel	Taylor, E. Z.
Cornell	Honaman	Peterson	Telek
Coslett	Hutchinson, A.	Phillips	Vroon
Cunningham	Hutchinson, W.	Piccola	Wass
DeVerter	Jackson	Pitts	Wenger
Daikeler	Johnson	Pott	Weston
Davies	Kanuck	Punt	Wilson
Dietz	Kennedy	Rappaport	Wogan
Dininni	Klingaman	Rasco	Wright, J. L.

Donatucci	Lashinger	Reber	Zwilk
Dorr	Lehr	Rocks	
Durham	Levi	Salvatore	Ryan,
Fischer	Lewis	Saurman	Speaker
Fleck	Livengood		

NOT VOTING—3

Alden	Earley	Mullen
EXCUSED—3		
Kolter	McVerry	Wilt

The question was determined in the negative, and the motion was not agreed to.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, amendment A480 attempts to clarify the language in the amendment Mr. Smith offered, which passed overwhelmingly last week. Mr. Smith offered a 5-percent cap. It was unclear from the wording of Mr. Smith's amendment whether the 5-percent cap applied to a loan term which could be for as little as 3 years or for the life of the mortgage, which could be as much as 30 years. If the 5-percent cap could apply to a period of as little as 3 years, it could in effect mean a 50-percent cap, which would be completely meaningless. If it means the life of the mortgage, on the other hand, it is very meaningful. In response to a question from Mr. Levin, Mr. Smith stated that his intent was that it was 5 percent over the life of the mortgage.

The reason that I am introducing this amendment is because the remarks stated in the Legislative Journal have very, very little effect either before any regulatory agency or in a court of law. There are no footnotes placed in law saying that on page 327 of the Legislative Journal, the prime sponsor of this amendment, in response to interrogation, said the intent was this and so. There are very few people in this Commonwealth who have ever seen the Legislative Journal. There are very few judges who have ever read it. There are very few regulators who have ever read it. Legislative intent, in the opinion of both judges and regulators, is expressed in the words of the legislation, not in the words spoken upon the floor of this House. Therefore, this language, of which the only new language reads that "...the maximum rate increase or decrease shall be five percent over the life of the mortgage," clarifies the intent that Mr. Smith expressed. I would urge its support.

The SPEAKER. The Chair recognizes the gentleman from Chester, Mr. Morris.

Mr. MORRIS. Just very briefly, Mr. Speaker, we still have this little problem about mortgagor and mortgagee. Apparently the lawyers in the Reference Bureau or the stenographers or the computer or somebody does not know the difference, and I would like the record to show that the last line of Mr. Cohen's amendment should read, "the mortgagor must be given, along with the," and so on and so on. Are you in agreement with that, Mr. Speaker?

Mr. COHEN. Would you repeat your statement, Mr. Speaker.

Mr. MORRIS. The last line of your amendment reads, "the mortgagee must be given, along with the...." I presume it means mortgagor. Is that correct?

Mr. COHEN. Mr. Speaker, line 3 is merely a duplication of the Smith language. The only new language in this amendment is that "...the maximum rate increase or decrease shall be five percent over the life of the mortgage." The reason that the amendment is being expressed in this form is that the bill was not reprinted after Mr. Smith introduced his amendment, and, therefore, our Legislative Reference Bureau says that the only way to deal with this situation is to reprint the Smith amendment as it was plus adding the additional two lines.

The SPEAKER. The Chair recognizes the gentleman from Chester, Mr. Morris.

Mr. MORRIS. I presume that the Reference Bureau is sometime going to correct this, but I would like to be assured of that because I would like to vote for this bill, but I do not want to vote for

The SPEAKER. Would the gentleman yield? Will the gentleman stand closer to the microphone? I am having trouble hearing you.

Mr. MORRIS. Mr. Speaker, I would like to be assured that the Reference Bureau is going to cure this defect, which has been appearing for the last several days where the word "mortgagee" should read "mortgagor." I would like to vote for this bill, but I do not want to vote for something like this. It is ridiculous.

The SPEAKER. The Speaker has been advised that this can be corrected by the Reference Bureau.

The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I would ask for a "no" vote on this amendment. At some point in time we are probably going to have to deal with the amendment that I put in last week on the cap.

I want to read from the comments on the Federal regulations how the Comptroller of the Currency has dealt with this subject for national banks in Pennsylvania, and, incidentally, there is no state law that will affect national banks in Pennsylvania. The Comptroller of the Currency has preempted any state law governing national banks, and the regulation contains no overall interest cap. Overall cap should be established by the market through competition and projection of future rates of inflation. Periodic interest rate caps as set forth in this regulation will protect borrowers from extraordinary increases in their monthly payments, and I see no need for the Cohen amendment and would ask for a "no" vote.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Fleck.

Mr. FLECK. Mr. Speaker, I, too, rise to ask for a "no" vote on this amendment for one reason. The other side of the aisle has been arguing that they seek to protect the consumer. I would point out that the Cohen amendment freezes the level to which interest rates can drop to 5 percent. The amount of increase or decrease in rates is limited to 5 percent. This seems

wholly inconsistent with their thrust. I think it is a negative because I happen to be one who is equally optimistic and pessimistic. We should control the up, but why should we freeze the down? Why would you lock a mortgage borrower at some future date into a loan agreement that could not be reduced to the current market level? This amendment is illy written and should be turned down. I ask for a "no" vote.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen, for the third time.

Mr. COHEN. Well, I was interrupted the first time, Mr. Speaker.

The SPEAKER. I know.

Mr. COHEN. The question of why a 5-percent cap should be placed in was simply one of fairness in order to make this amendment more palatable to those who might support it. I believe, frankly, it is a rather theoretical situation that the interest rates will go down 5 percent. If the interest rates do go down 5 percent, there is no real reason for this bill, and the whole premise of this bill in the first place is that the interest rates will not go down drastically. In addition, if they do go down drastically, a person has the chance to get a new mortgage, so it really does not have any significant effect.

Would Mr. Smith consent to interrogation?

The SPEAKER. The gentleman, Mr. Smith, indicates that he consents to be interrogated. The gentleman may proceed.

Mr. COHEN. Mr. Speaker, does your opposition to this amendment represent a change in position from your statement of legislative intent as of last week?

Mr. L. E. SMITH. Are you referring to the cap?

Mr. COHEN. Yes. Last week you stated your intent was to have introduced an amendment with a cap of 5 percent over the life of the mortgage.

Mr. L. E. SMITH. I did introduce that amendment, and I just stated previously that we may have to deal with that subject if we are going to keep state-chartered banks at parity with national banks in Pennsylvania. We may have to take a second look at the cap language that we put in and that is the reason I am resisting your amendment now.

Mr. COHEN. Thank you.

The SPEAKER. The Chair recognizes the gentleman, Mr. Cohen. The gentleman may proceed.

Mr. COHEN. Assuming we decide it is in the public interest to have a cap that equals the Federal regulation cap, the Federal cap is 2 percent a year. This cap is 5 percent over the life of the mortgage. We would have roughly 2 years to change the situation if we decide that that is what we want to do. I frankly do not see that we have to merely parrot the Federal regulations. There seems to be very little sense in having state banks if our regulations are going to be merely the same, but we nevertheless will have 2 years, so I would very much urge support of this amendment.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—89

Barber	Gamble	McIntyre	Showers
Belfanti	George	McMonagle	Shupnik
Berson	Grabowski	Manderino	Spitz
Blaum	Gray	Michlovic	Steighner
Borski	Greenfield	Miscevich	Stewart
Brown	Gruitza	Mrkonic	Stuban
Caltagirone	Haluska	Mullen	Swaim
Cawley	Harper	Murphy	Taylor, F. E.
Clark	Hoeffel	O'Donnell	Tigue
Cochran	Horgos	Olasz	Trello
Cohen	Hutchinson, A.	Oliver	Van Horne
Colafella	Irviss	Petrarca	Wachob
Cole	Itkin	Petrone	Wambach
Cordisco	Kowalshyn	Pievsy	Wargo
Cowell	Kukovich	Pistella	Wass
DeMedio	Laughlin	Pratt	White
DeWeese	Lescovitz	Pucciarelli	Wiggins
Dawida	Letterman	Richardson	Williams, H.
Deal	Levin	Rieger	Williams, J. D.
Duffy	Lloyd	Ritter	Wozniak
Evans	Lucyk	Rybak	Wright, D. R.
Fee	McCall	Seventy	Zwinkl
Gallagher			

NAYS—108

Anderson	Fischer	Lewis	Rocks
Armstrong	Fleck	Livengood	Salvatore
Arty	Foster, W. W.	McClatchy	Saurman
Belardi	Foster, Jr., A.	Mackowski	Serafini
Beloff	Frazier	Madigan	Sieminski
Bittle	Freind	Maiale	Sirianni
Bowser	Fryer	Manmiller	Smith, B.
Boyes	Gallen	Marmion	Smith, E. H.
Brandt	Gannon	Merry	Smith, L. E.
Burd	Geist	Micozzie	Snyder
Burns	Gladock	Miller	Spencer
Cappabianca	Greenwood	Moehlmann	Stairs
Cessar	Grieco	Morris	Stevens
Cimini	Gruppo	Mowery	Sweet
Civera	Hagarty	Nahill	Swift
Clymer	Hasay	Noye	Taddonio
Cornell	Hayes	Pendleton	Taylor, E. Z.
Coslett	Heiser	Perzel	Telek
Cunningham	Honaman	Peterson	Vroon
DeVerter	Hutchinson, W.	Phillips	Wenger
Daikeler	Jackson	Piccola	Weston
Davies	Johnson	Pitts	Wilson
Dietz	Kanuck	Pott	Wogan
Dininni	Kennedy	Punt	Wright, J. L.
Dombrowski	Klingaman	Rappaport	
Donatucci	Lashingier	Rasco	Ryan,
Dorr	Lehr	Reber	Speaker
Durham	Levi		

NOT VOTING—3

Alden	Earley	Emerson
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EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. GANNON offered the following amendment No. A517:

Amend Sec. 1 (Sec. 310), page 2, line 25 by inserting after "DECREASES" and the mortgagee may not charge any additional fees when the interest rate increases or decreases

On the question,  
Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon.

Mr. GANNON. Mr. Speaker, this amendment merely provides that the mortgagee or lender cannot make any additional charges or fees on the change of the interest rate. That is it.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I am asking for a "no" vote on this amendment and I would like to read again from the comments on the Federal regulations how the Feds will deal with this subject for national banks: "...no charge... to the borrower, in the form of new closing costs, new processing fees, new finance charges, or similar fees for any change in the interest rate..."

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon. You may now proceed.

Mr. GANNON. That statement justifies the amendment because there is no guarantee that the state banking regulators will apply the same criteria to the state banks, and what I am simply doing is making certain that the state banks track with the Federal regulations and are prohibited from charging additional fees.

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. I rise in support of the Gannon amendment. I think that Mr. Gannon has now seen the light also that there is no guarantee that our state regulators are in any way, shape, or form going to write it exactly the way the Feds are, and I have said that from day 1, that we ought to legislate here and then we know what they are going to do over there instead of letting them come out with the regulations. I am apprehensive also, Mr. Speaker, that he may not follow that line, and, therefore, I support your amendment.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—154

Barber	Fleck	McCall	Salvatore
Belfanti	Foster, W. W.	McIntyre	Serafini
Berson	Frazier	McMonagle	Seventy
Blaum	Freind	Maiale	Showers
Borski	Fryer	Manderino	Shupnik
Bowser	Gallagher	Merry	Sieminski
Boyes	Gamble	Michlovic	Smith, B.
Brown	Gannon	Miller	Snyder
Burns	Geist	Miscevich	Spitz
Caltagirone	George	Mochlmann	Stairs
Cappabianca	Grabowski	Morris	Steighner
Cawley	Gray	Mrkonic	Stevens
Cessar	Greenfield	Mullen	Stewart
Cimini	Greenwood	Murphy	Stuban
Civera	Gruitza	Nahill	Swaim
Clark	Gruppo	Noye	Sweet
Clymer	Hagarty	O'Donnell	Taddonio
Cochran	Haluska	Olasz	Taylor, E. Z.
Cohen	Harper	Oliver	Taylor, F. E.
Colafella	Hayes	Pendleton	Tigue
Cole	Heiser	Perzel	Trello
Cordisco	Hoeffel	Peterson	Van Horne

Cornell	Horgos	Petrarca	Wachob
Coslett	Hutchinson, A.	Petrone	Wambach
Cowell	Hutchinson, W.	Phillips	Wargo
Cunningham	Irviss	Pievsky	Wass
DeMedio	Itkin	Pistella	Wenger
DeVerter	Johnson	Pitts	Weston
DeWeese	Kennedy	Pott	White
Dawida	Klingaman	Pratt	Wiggins
Deal	Kowalyszyn	Pucciarelli	Williams, H.
Dombrowski	Kukovich	Punt	Williams, J. D.
Donatucci	Laughlin	Rasco	Wilson
Duffy	Lescovitz	Reber	Wogan
Durham	Letterman	Richardson	Wozniak
Emerson	Levi	Rieger	Wright, D. R.
Evans	Levin	Ritter	Wright, J. L.
Fee	Lloyd	Rybak	Zwikl
Fischer	Lucyk		

NAYS—44

Anderson	Dorr	Livengood	Saurman
Armstrong	Foster, Jr., A.	McClatchy	Sirianni
Arty	Gallen	Maekowski	Smith, E. H.
Belardi	Gladeck	Madigan	Smith, L. E.
Beloff	Grieco	Manmiller	Spencer
Bittle	Hasay	Marmion	Swift
Brandt	Honaman	Micozzie	Telek
Burd	Jackson	Mowery	Vroon
Daikeler	Kanuck	Piccola	
Davies	Lashinger	Rappaport	Ryan,
Dietz	Lehr	Rocks	Speaker
Dininni	Lewis		

NOT VOTING—2

Alden Earley

EXCUSED—3

Kolter McVerry Wilt

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. TAYLOR offered the following amendments No. A311:

Amend Sec. 1 (Sec. 310), page 2, line 20, by striking out “; PROVIDED, HOWEVER,” and inserting: Provided, That a copy of every rule or regulation or amendment to a rule or regulation relating to mortgages for financing the purchase of a one to four family residential property proposed by the department in order to implement any provision of this clause shall be submitted to the Secretary of the Senate and the Chief Clerk of the House of Representatives who shall cause the rules or regulations to be printed and distributed among all members of both chambers in the same manner as a reorganization plan. If either body fails to act within sixty days of receipt of such rules or regulations, or within fifteen legislative days after receipt, whichever shall last occur, rules or regulations adopted by the department shall be promulgated pursuant to the provisions of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law and 45 Pa.C.S. Part II (relating to publication and effectiveness of Commonwealth documents). If both chambers disapprove any rule or regulation, such information shall be certified by the Speaker of the House of Representatives or President pro tempore of the Senate to the department and such rule or regulation shall not be promulgated as a final rule or regulation, and further provided,

Amend Bill, page 3, by inserting between lines 14 and 15

Section 2. Subclause (B) of clause (i) of subsection (a) of section 505 of the act, amended May 21, 1980 (No.51), is amended to read:

Section 505. Real Estate Loans

(a) Permissible loans; maximum amount and term—A savings bank may, subject to the requirements of this section, make or acquire a loan secured by a lien on real estate (including a leasehold) located in any state or the District of Columbia, in a dependency or insular possession of the United States or in the Commonwealth of Puerto Rico, in an amount and for a term not to exceed:

(i) in the case of improved real estate, including farm land:

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(B) four-fifths of the value for thirty years, if the terms of the loan require payments which are substantially equal except for the last payment at successive intervals of not more than one year each and in an amount sufficient to pay all principal of and interest on the loan within thirty years, except that a loan to a commercial or industrial borrower is exempted from the requirement of substantially equal payments and the date of the initial payment on a loan to such borrower may be deferred for a period not in excess of three years from the date of the loan: Provided, however, That a copy of every rule or regulation or amendment to a rule or regulation relating to mortgages for financing the purchase of a one to four family residential property proposed by the department in order to implement any provision of this clause shall be submitted to the Secretary of the Senate and the Chief Clerk of the House of Representatives who shall cause the rules or regulations to be printed and distributed among all members of both chambers in the same manner as a reorganization plan. If either body fails to act within sixty days of receipt of such rules or regulations, or within fifteen legislative days after receipt, whichever shall last occur, rules or regulations adopted by the department shall be promulgated pursuant to the provisions of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law and 45 Pa.C.S. Part II (relating to publication and effectiveness of Commonwealth documents). If both chambers disapprove any rule or regulation, such information shall be certified by the Speaker of the House of Representatives or President pro tempore of the Senate to the department and such rule or regulation shall not be promulgated as a final rule or regulation; or

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Amend Sec. 2, page 3, line 15, by striking out “2” and inserting 3

Amend Sec. 3, page 3, line 25, by striking out “3” and inserting 4

Amend Sec. 4, page 3, line 30, by striking out “4” and inserting 5

Amend Sec. 5, page 4, line 25, by striking out “5” and inserting 6

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. I hope we are as successful on this amendment as we were on the previous one.

I want to stand here today and strongly urge you, as strongly as possible, to vote for my amendment for a number of reasons. As someone said here on the floor a couple weeks ago, this bill is deceptively important and has farreaching effects on this Commonwealth and our constituents.

By the removal of two words, we are making one of the broadest grants of power this legislature has ever made with little protection against potential abuse. Oversight is absolutely necessary in this case for we have no conception of what we may be permitting. We have been told that the Federal regulations have been promulgated and signed, but we still do not know; we still do not understand them. You have been told over and over again that the purpose of this bill is to permit renegotiable mortgages, but it goes even further than that. I daresay that renegotiable-rate mortgages may be the least offensive and the least dangerous instrument that this bill would permit.

Those of you who intend to vote for this bill ought not to wash your hands of this matter today. You should at the very least keep a handle on what you have done. You have been told time and time again during debate on this bill about all the things you did not have to worry about because they would certainly appear in regulations. If the regulations will be as fair and far-reaching as they would like to have them, as you have been told, then you do not need to fear oversight.

Nearly every attempt to put substantive language into this bill has been met with the argument that it was something that should be put into regulation. In essence you were told it was none of your business, and in being urged to vote against my amendment, you are now being told that these regulations are none of your business either. Well, I ask you, what then is the business of this House of Representatives? Is it merely to make carte blanche grants of power to bureaucratic regulators without any review? If that be the wish of this House, that is what you are going to do. I say that if you are going to write a blank check, the least you can do is ask them the amount that they have filled in for you.

Some of you may vote against my amendment because you were told how sensitive the Department of Banking is to the concerns of the legislature, and you have been told how the entire regulation was changed because of the objection of one Senator. Well, let me tell you how sensitive the Department of Banking was to the wishes of the entire Senate of the State of Pennsylvania.

There was a bill last session which had provisions like you see in HB 103, except that the brackets around "substantially equal" were inserted not only for commercial banks but also for mutual savings banks. Prior to the passage of this bill in the Senate in March of 1980, the Senate wisely removed those brackets, because, as Senator Zemprelli stated on the floor of the Senate, and I quote, "The effect of the amendment of House Bill 1805 was to remove the provision in that bill which would allow for renegotiation of mortgages, which I think the Members of the Senate found to be very objectionable under the circumstances. Mr. President, the bill that will be considered on final consideration, as amended, now will not have the provision with respect to renegotiation of mortgages in the future."

Now here is the real catcher, Mr. Speaker. Later that year the Banking Department found language in the Banking Code dealing with mutual savings banks which they felt permitted renegotiable-rate mortgages and went ahead and promulgated

regulations permitting them. So much for the sensitivity of that department to the wishes of the Senate of Pennsylvania.

I would like to say also to my colleagues on the other side of the aisle that you should support my amendment because your record on oversight is absolutely clear. Yet I was shocked 2 weeks ago to hear you stand on the floor of this House and speak against oversight, shocked to see you vote almost as a bloc against this oversight amendment. I was shocked because many of you are the same people who believed so strongly in oversight that last July, on HB 215, you sat on the floor of this House and voted to override the veto of the Governor of your own party on an oversight question. I was shocked because many of you are the same people who last October, almost to a person, voted for Act 146 which contained oversight language. I was shocked because just a few weeks ago, almost to a person, you sat there and voted for HB 27, without amendment, because you believed that it would give this House a greater say in oversight, and I agree with you. In none of these instances did you stand and say, any of you, that there was no need for oversight because if you did not like the regulations, all you had to do was pass a bill to do away with them, as some of you said 2 weeks ago. In none of those instances did any of you stand up and say that we should not be singling out one department, as you said 2 weeks ago. In none of these instances did you stand and say that you should not pass oversight legislation in patchwork fashion, as has been charged about this amendment, as you said 2 weeks ago. And in none of these instances did I see the bloc of red lights on the board as I did 2 weeks ago.

The bills I spoke of, which you voted for, address subjects such as fees charged by and tests given by the Bureau of Occupational and Professional Affairs. I ask you, are those subjects more important or more deserving of your oversight than mortgages, which affect nearly every person in this Commonwealth? It seems rather strange that you would support legislative oversight on all these areas but would withdraw your support of oversight on a bill which gives away carte blanche enormous powers.

I congratulate you on the past support of your legislative oversight and ask you not to prostitute ourselves today on that record in favor of partisanship. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, would the gentleman stand for interrogation?

Mr. TAYLOR. Yes.

The SPEAKER. The gentleman, Mr. Taylor, indicates he is willing to be interrogated. The gentleman, Mr. Smith, may proceed.

Mr. L. E. SMITH. I have a little difficulty strongly opposing this amendment, but the question that comes to my mind is, let us say the Secretary of Banking, for an example, promulgated the rules for renegotiable-rate mortgages or adjustable-rate mortgages, as they are referred to in the Comptroller of the Currency regulations, and we liked 15 of his regulations and we did not like one of them. Would we reject all of them under your amendment?

Mr. TAYLOR. No, not necessarily. I think we have the right of review. I think we could then, by direction, at least voice to him our objections to those parts to which we object. I think we have the power to strike those, at least direct to him, and maybe he would resubmit them to us for at least our review.

Fifteen legislative days is not an extremely long period of time, or 60 days. He has to publish them anyway, as you well know, Mr. Speaker, for 30 days in the Bulletin.

I think it is a reasonable amendment. I think it is one that we ought not to give away. I think this legislature ought to at least have that little luxury of looking at what he is doing, and I just firmly and strongly believe in that concept. I think a lot of us do here.

Mr. L. E. SMITH. Let me just ask one further question. So just for legislative intent, it would be your intent, if this amendment is adopted, that we could reject any or all of any regulations that were promulgated by the Secretary of Banking and came to us for legislative review?

Mr. TAYLOR. Yes.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—144

Barber	Fischer	McCall	Rybak
Belardi	Fleck	McIntyre	Saurman
Belfanti	Foster, W. W.	McMonagle	Serafini
Beloff	Frazier	Maiale	Seventy
Berson	Freind	Manderino	Showers
Blaum	Fryer	Manmiller	Shupnik
Borski	Gallagher	Marmion	Sieminski
Brown	Gamble	Michlovic	Snyder
Burns	George	Micozzie	Spitz
Caltagirone	Grabowski	Miller	Stairs
Cappabianca	Gray	Miscevich	Steighner
Cawley	Greenfield	Morris	Stevens
Cimini	Greenwood	Mrkonic	Stewart
Clark	Grieco	Mullen	Stuban
Cochran	Gruitza	Murphy	Swaim
Cohen	Gruppo	Noye	Sweet
Colafella	Haluska	O'Donnell	Sweet
Cole	Harper	Olasz	Taddonio
Cordisco	Heiser	Oliver	Taylor, F. E.
Cowell	Hoeffel	Pendleton	Telek
Cunningham	Horgos	Peterson	Tigue
DeMedio	Hutchinson, A.	Petrarca	Trello
DeVerter	Irvic	Petrone	Van Horne
DeWeese	Itkin	Phillips	Wachob
Daikeler	Jackson	Pievsky	Wambach
Davies	Klingaman	Pistella	Wargo
Dawida	Kowalshyn	Pott	Wass
Deal	Laughlin	Pratt	Weston
Dombrowski	Lehr	Pucciarelli	White
Donatucci	Lescovitz	Punt	Wiggins
Dorr	Letterman	Rappaport	Williams, H.
Duffy	Levi	Reber	Williams, J. D.
Durham	Levin	Richardson	Wogan
Emerson	Livengood	Rieger	Wozniak
Evans	Lloyd	Ritter	Wright, D. R.
Fee	Lucyk	Rocks	Zwilk

NAYS—51

Anderson	Dininni	Lewis	Sirianni
Armstrong	Foster, Jr., A.	McClatchy	Smith, B.
Arty	Gallen	Mackowski	Smith, E. H.
Bittle	Gannon	Madigan	Smith, L. E.
Bowser	Geist	Merry	Spencer
Boyes	Hagarty	Moehlmann	Taylor, E. Z.

Brandt	Hasay	Mowery	Vroon
Burd	Hayes	Nahill	Wenger
Cessar	Honaman	Perzel	Wilson
Civera	Hutchinson, W.	Piccola	Wright, J. L.
Clymer	Johnson	Pitts	
Cornell	Kennedy	Rasco	Ryan,
Coslett	Lashinger	Salvatore	Speaker
Dietz			

NOT VOTING—5

Alden	Gladeck	Kanuck	Kukovich
Earley			

EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the affirmative, and the amendments were agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. COHEN offered the following amendments No. A539:

Amend Sec. 1, page 1, line 20, by removing the comma after "310" and inserting and subsection (a) of section 505,

Amend Sec. 1, page 1, line 22, by striking out "is" and inserting are

Amend Sec. 1 (Sec. 310), page 2, line 22, by striking out all of said line and inserting

this section, the following further conditions shall apply:

(1) the amount of increase in the per annum interest rate on a renegotiable rate mortgage may not exceed five percent between the date of the loan and the date of maturity;

(2) interest rate increases warranted by increases in the chosen index may be imposed at the bank's option, but decreases are mandatory;

(3) the borrower may not be charged any costs or fees in connection with the renewal of such loan;

(4) the mortgagee must be given, along with the

Amend Bill, page 3, by inserting between lines 14 and 15 Section 505. Real Estate Loans

(a) Permissible loans; maximum amount and term—A savings bank may, subject to the requirements of this section, make or acquire a loan secured by a lien on real estate (including a leasehold) located in any state or the District of Columbia, in a dependency or insular possession of the United States or in the Commonwealth of Puerto Rico, in an amount and for a term not to exceed:

(i) in the case of improved real estate, including farm land:

(A) two-thirds of the value for ten years, if unamortized; or

(B) four-fifths of the value for thirty years, if the terms of the loan require payments which are substantially equal except for the last payment at successive intervals of not more than one year each and in an amount sufficient to pay all principal of and interest on the loan within thirty years, except that a loan to a commercial or industrial borrower is exempted from the requirement of substantially equal payments and the date of the initial payment on a loan to such borrower may be deferred for a period not in excess of three years from the date of the loan: Provided, however, That whenever a renegotiable rate mortgage loan is to be made under the authority of this section, the mortgagor must be given, along with the letter of commitment, written notice of the initial base value of the reference index to be utilized as a



base in determining interest rate increases and decreases: And provided, further, That the following condition shall apply: the borrower may not be charged any costs or fees in connection with the renewal of such loan; or

(C) ninety percent of the value of a one family residential property for thirty years, in an amount not to exceed forty thousand dollars (\$40,000), unless the department by regulation approves the granting of loans under this subsection in greater amounts, subject to the same requirements set forth in clause (B); or

(D) ninety-five percent of the value for thirty years, if that portion of the loan in excess of seventy-five percent of the value is made in reliance upon a private company mortgage insurance or guarantee acceptable to the Department of Banking, subject to the same requirements set forth in clause (B); or

(ii) in the case of unimproved real estate to be acquired or developed with the proceeds of the loan:

(A) two-thirds of the value for three years, or

(B) three-fourths of the value for five years, when utilities, roads or streets necessary for the development of such real estate have been completed.

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On the question,

Will the House agree to the amendments?

AMENDMENTS DIVIDED

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, the first page of my amendment has been covered by the Gannon amendment. I would, therefore, like to divide this amendment and merely offer page 2 of amendment No. 539. Page 2 is capable of standing on its own. It amends a different section.

The SPEAKER. The gentleman would be in order. The amendment is divisible. Could the gentleman tell the Chair how he would like the amendment divided?

Mr. COHEN. Mr. Speaker, I would like it simply divided by removing page 1 of the amendment, and I would merely like to offer page 2. Page 1 amends section 310; page 2 amends section 505.

The SPEAKER. It is the ruling of the Chair that the amendment is divisible and accordingly is divided.

PART I OF AMENDMENTS WITHDRAWN

The SPEAKER. It is the understanding of the Chair that the gentleman withdraws from consideration the amendment that is found on page 1 of his amendment No. 539, which amends section 310. Is that correct?

Mr. COHEN. That is correct, Mr. Speaker.

The SPEAKER. The question then before the House on the Cohen amendment is as found on page 2, "Amend bill, page 3, by inserting between lines 14 and 15 Section 505" through and to the end. Is that correct?

Mr. COHEN. That is correct, Mr. Speaker.

The SPEAKER. On the question of agreeing to the Cohen amendment as divided on page 2, section 505.

The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, this amendment is merely a narrower version of the Gannon amendment, the key words of which are that "the borrower may not be charged any cost or fees in connection with the renewal of such a loan." Mr. Gannon's amendment was broader than that, limiting fees beyond the subject of renegotiable mortgages. This amendment is merely limited to doing what Mr. Gannon's amendment does for renegotiable mortgages. We just adopted the Gannon amendment; it would be very consistent to adopt this one, too. The difference between this amendment and the Gannon amendment is that section 505 deals with mutual savings banks, and section 310, which was a sole section to which the Gannon amendment implies, deals with state-chartered banks. I urge support of this amendment.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, with the insertion of oversight which this House just voted, I would hope that we could shorten the debate and get rid of some of these regulations which are being attempted to be put into this bill. We should not be putting regulations into law, and I would ask for a "no" vote on this amendment.

On the question,

Will the House agree to Part II of the amendments?

The following roll call was recorded:

YEAS—92

Barber	Fryer	McCall	Ritter
Belfanti	Gallagher	McIntyre	Rybak
Berson	Gamble	McMonagle	Seventy
Blaum	Gannon	Manderino	Showers
Borski	George	Michlovic	Shupnik
Brown	Grabowski	Miscevich	Steighner
Caltagirone	Gray	Morris	Stewart
Cappabianca	Greenfield	Mrkonic	Stuban
Cawley	Gruitza	Mullen	Swaim
Clark	Haluska	Murphy	Taylor, F. E.
Cochran	Harper	O'Donnell	Tigue
Colafella	Hoefel	Olasz	Trello
Cole	Horgos	Oliver	Van Horne
Cordisco	Irviss	Pendleton	Wachob
Cowell	Itkin	Petrarca	Wambach
DeMedio	Kowalshyn	Petrone	Wargo
DeWeese	Kukovich	Pievsky	White
Dawida	Laughlin	Pistella	Wiggins
Deal	Lescovitz	Pott	Williams, H.
Duffy	Letterman	Pucciarelli	Williams, J. D.
Emerson	Levin	Rasco	Wozniak
Evans	Lloyd	Richardson	Wright, D. R.
Fee	Lucyk	Rieger	Zwikl

NAYS—102

Anderson	Fischer	Levi	Saurman
Armstrong	Fleck	Lewis	Serafini
Arty	Foster, W. W.	Livengood	Sieminski
Belardi	Foster, Jr., A.	McClatchy	Sirianni
Beloff	Frazier	Mackowski	Smith, B.
Bittle	Freind	Madigan	Smith, E. H.
Bowser	Gallen	Maiale	Smith, L. E.
Brandt	Geist	Manmiller	Snyder
Burd	Gladeck	Marmion	Spencer
Burns	Greenwood	Merry	Spitz
Cessar	Grieco	Micozzie	Stairs
Cimini	Gruppo	Miller	Stevens
Civera	Hagarty	Mochlmann	Swift
Clymer	Hasay	Mowery	Taddonio
Cornell	Hayes	Nahill	Taylor, E. Z.
Coslett	Heiser	Noye	Telek

Cunningham	Honaman	Perzel	Vroon
DeVerter	Hutchinson, A.	Peterson	Wass
Daikeler	Hutchinson, W.	Phillips	Wenger
Davies	Jackson	Piccola	Weston
Dietz	Johnson	Pitts	Wilson
Dininni	Kanuck	Punt	Wogan
Dombrowski	Kennedy	Rappaport	Wright, J. L.
Donatucci	Klingaman	Reber	
Dorr	Lashingner	Rocks	Ryan,
Durham	Lehr	Salvatore	Speaker

## NOT VOTING—6

Alden	Cohen	Pratt	Sweet
Boyes	Earley		

## EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and Part II of the amendments was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. COHEN offered the following amendments No. A543:

Amend Sec. 1, page 1, line 22, by inserting after "amended" where it appears the second time and a subsection is added

Amend Bill, page 3, by inserting between lines 14 and 15

(h) Renegotiable rate and adjustable rate mortgages same—  
For the purpose of this act, a renegotiable rate mortgage and an  
adjustable rate mortgage are the same.

Section 2. Section 505 of the act is amended by adding a subsection to read:

Section 505. Real Estate Loans

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(i) Renegotiable rate and adjustable rate mortgages same—  
For the purposes of this act, a renegotiable rate mortgage and an  
adjustable rate mortgage are the same.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, in the debate today and in previous weeks, and in the regulations that have been issued so far by the Secretary of Banking, the term used has been "renegotiable" for the mortgages in which the interest rates can fluctuate. The Comptroller of the Currency, however, uses the term "adjustable" to apply to the same kind of mortgages that we are using when we use the word "renegotiable."

The importance of this amendment is that it defines renegotiable as the same as adjustable. If this amendment does not pass, and the Secretary of Banking for some reason wants to get around the clear legislative intent, all he has to do is issue rates applying to adjustable mortgages, and, therefore, all restrictions on renegotiable mortgages will be null and void.

It is clear that we cannot afford to have a huge, glaring loophole in this legislation in which we carefully regulate renegotiable mortgages but do not engage in any regulation at all of the adjustable mortgages, and therefore allow the Secretary of Banking to completely ignore us by proclaiming that now he is changing his terminology and he now wishes to regulate or deregulate adjustable mortgages.

This is an amendment for clarity. It is an amendment also to strengthen the clear legislative intent and to avoid having loopholes in the law to completely destroy our efforts.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. This amendment really does not clarify anything. The Comptroller of the Currency is now using a new terminology in his regulations which is called payment cap mortgages. We sometimes refer to them as rollovers. We should not put this kind of language into the law because if 6 months from now the Comptroller of the Currency decides to change the terminology, we have to change the law, and we should let that to the regulators, what definitions they are going to make of the various types of mortgages. I would ask for a "no" vote.

The SPEAKER. The Chair recognizes the gentleman from Greene, Mr. DeWeese.

Mr. DeWEESE. Mr. Speaker, I just like to remind Mr. Smith that it is very simple. We, the legislators, are either going to make the decisions about adjustable and renegotiable, or pettyfoggers and accountants and bureaucrats are going to make that decision. It is a very clear question, and I hope that he will answer it the same as I am going to answer it. Thank you, sir.

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. Mr. Speaker, I rise in support of Mr. Cohen's amendment. Mr. Smith has brought up a very salient point. The very fact that there is confusion in the Federal system already as to readjustable, renegotiable, guaranteed, variable rates; there are different definitions as they pertain to those types of instrumentalities, and the very essence of renegotiable mortgages and an adjustable rate is a different thing.

In effect, what the Secretary of Banking could do if he saw fit would be to permit an instrument to be issued that would have an adjustable rate coinciding with what the Federal regulatory agencies are talking about; have it secured by a long-term note, secured by a long-term mortgage that conceivably could raise the interest rates, if the index in this country so justified them, a maximum of 30 percent over a 30-year mortgage, and I think we ought to make that distinction that there is a point in time where renegotiables are not going to be subject to the type of jockeying around of the rate.

I think this points out that there is a distinct difference between the two. The umbrella of the Federal speaks of adjustable rate mortgages, and only renegotiables are one part of that. Variable rate mortgages also are a part of that, and variable rate mortgages fluctuate up and down. I think Mr. Cohen's point should be well taken. We ought to put a definition as to what we mean by renegotiables. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, just briefly. I am very surprised at the statement of the minority chairman of Business and Commerce, because his amendment of just a few minutes ago is going to give this body and the Senate oversight over those regulations. We have the final word, and I do not think we should clutter up the law with this kind of terminology. I ask for a "no" vote.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Cowell.

Mr. COWELL. Mr. Speaker, would Mr. Smith consent to interrogation, please?

The SPEAKER. The gentleman indicates he will. The gentleman may proceed.

Mr. COWELL. Mr. Speaker, I am a little confused by some of the comments you have made about cluttering up the law with all this terminology and you suggested earlier that the Feds, through the regulatory process, might, in fact, turn to a different term. Could you clarify for us, for me anyway, exactly what your understanding is of renegotiable rate, and what your understanding is of adjustable rate mortgages? Do you understand there to be any difference between the two?

Mr. L. E. SMITH. Yes; but in answer to your question

Mr. COWELL. Yes, you will answer, or, yes, you think there is a difference?

Mr. L. E. SMITH. Yes, there is a difference.

Mr. COWELL. Okay.

Mr. L. E. SMITH. But let me just say that we do not have control over what the Comptroller of the Currency does. He has the first word. We come second, and when we try to put into the law these various definitions, we should be very careful that they absolutely conform so that if we are going to preserve the dual banking system, our regulatory agency will be in that position.

Mr. COWELL. Now, could you proceed to answer my question, sir? If there is a difference, what is the difference? What is the difference between renegotiable rate mortgages and adjustable rate mortgages?

Mr. L. E. SMITH. The spelling is different.

### MR. SPENCER REQUESTED TO PRESIDE

The SPEAKER. The Chair asks the gentleman from Tioga, Mr. Spencer, to preside temporarily.

### THE SPEAKER PRO TEMPORE (WARREN H. SPENCER) IN THE CHAIR

### CONSIDERATION OF HB 103 CONTINUED

Mr. COWELL. Mr. Smith, I think you scared the Speaker away.

That was very perceptive of you. Are there other differences?

The SPEAKER pro tempore. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. I do not know if this is sufficient, but I am reading now from comments from the Comptroller of the Currency on the just-recently adopted regulations, and he says that an adjustable-rate mortgage, as defined by the Comptroller of the Currency, is a loan made to finance or refinance the purchase of a one- to four-family dwelling, including a condominium unit, a cooperative housing unit, or a mobile home, where the loan is secured by a lien on the property and where the lender may periodically adjust the interest rate on the loan. Now, as for renegotiables, they are a little more restrictive, and that is the only answer I can give you.

Mr. COWELL. Can you elaborate about how they are a little bit more restrictive? Well, for instance, let me ask, Mr. Speaker, as you understand the definitions, is a renegotiable-rate mortgage a kind of adjustable-rate mortgage?

Mr. L. E. SMITH. If the gentleman will just hold for a minute, I will get the definition of a renegotiable.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. We do not have a description of a renegotiable-rate mortgage from the Secretary of Banking as far as banks are concerned, because he has only proposed rules for savings and loans, but this is a description of a renegotiable-rate mortgage. It "...is a loan issued for a term of three, four, or five years, secured by a long-term mortgage of up to 30 years and automatically renewable at equal intervals except as provided in subsection (c)(1) of this section." The loans must be repayable in equal monthly installments of principal and interest during the loan term in an amount at least sufficient to amortize the loan with the same principal and at the same interest rate over the remaining term of the mortgage.

Mr. COWELL. Mr. Speaker, what was the source of that information you just read? Where does that definition come from?

Mr. L. E. SMITH. It is from the Secretary of Banking for the Savings Association Bureau.

Mr. COWELL. The Secretary of Banking for the Savings Association Bureau? I do not understand that. Is that the Pennsylvania Secretary of Banking?

Mr. L. E. SMITH. Yes.

Mr. COWELL. And that definition applied to what?

Mr. L. E. SMITH. Savings and loan associations.

Mr. COWELL. Okay, but of course this bill does not address that issue. Is that correct?

Mr. L. E. SMITH. But I am saying this is the only description or definition we have in Pennsylvania of a renegotiable-rate mortgage.

Mr. COWELL. So let me state my understanding and you can agree or disagree and perhaps better educate me here.

Nowhere in the law that we are considering is there a definition of renegotiable mortgage. Is that correct?

Mr. L. E. SMITH. Yes.

Mr. COWELL. But whatever renegotiable mortgage is, although we do not define it in the law anywhere, and we are going on the basis of what apparently is a definition that came

from the Secretary of Banking, we do try, through the law and through some of the amendments that have been adopted, to put restrictions on renegotiable mortgages. Is that correct?

Mr. L. E. SMITH. Well, it does not seem very likely that the Secretary of Banking, in this document, would describe a renegotiable-rate mortgage for savings and loan associations and in the Banking Code do something different.

Mr. COWELL. Okay, I understand. So let us assume for the moment that for the purposes of Pennsylvania we have got a definition of renegotiable-rate mortgages as defined by the Secretary of Banking. Through the legislation that we are considering, HB 103 and the amendments that have been adopted so far, we try to put certain restrictions on the authority to use the renegotiable-rate mortgage. Is that correct?

Mr. L. E. SMITH. I guess.

Mr. COWELL. Is it legally possible, as you understand the situation, for the Secretary of Banking to completely circumvent legislative intent, as reflected by the legislation and by the amendments that we have adopted, those restrictive amendments, by simply creating a new term called, or using the term called "adjustable-rate mortgages"? Would that be possible?

Mr. L. E. SMITH. Adjustable-rate mortgages are described in the new Federal regulations for national banks.

Mr. COWELL. Now, what does that have to do with the Pennsylvania Secretary of Banking and this legislation?

Mr. L. E. SMITH. He has already, in letter, advised us that he will very closely conform to the regulations of the Comptroller of the Currency for state-chartered banks, and that letter was distributed to every member.

Mr. COWELL. And so it is very likely that the Secretary of Banking is going to, because the Federal regs use both terms, use the terms "renegotiable-rate mortgage" and "adjustable-rate mortgage," it is very likely that the Secretary of Banking in Pennsylvania will draft regulations dealing with those two separate kinds of mortgages?

Mr. L. E. SMITH. Mr. Speaker, you just made a misstatement. The Feds do not use the term "renegotiable" in the regulation.

Mr. COWELL. They use the words "adjustable-rate mortgage."

Mr. L. E. SMITH. Right.

Mr. COWELL. How do they address the issue of renegotiable-rate mortgages, or do they assume that they are one and the same?

Mr. L. E. SMITH. I am not sure that there is a clear-cut difference in the Federal regulations, because there is no reference to renegotiables. However, there are some very, very strong disclosure requirements which cover all types of mortgages which are going to be used by national banks in Pennsylvania.

Mr. COWELL. Well, then, if the Federal regs address only the issue of adjustable-rate mortgages, are we so far off in assuming or would one be so far off in assuming that the Feds used that language to mean renegotiable-rate mortgages as well as that term that they put on adjustable-rate mortgages?

Mr. L. E. SMITH. I do not know.

Mr. COWELL. You do not know?

Mr. L. E. SMITH. I do not know where you are going, so I cannot

Mr. COWELL. I am trying to determine if you are certain or if anybody in this room is certain that in fact there is a difference between renegotiable-rate mortgages and adjustable-rate mortgages, and if there is no real difference, why can we not simply say, as this amendment suggests, that they are one and the same?

Mr. L. E. SMITH. I am only trying to keep this as flexible as possible so that when the Secretary of Banking promulgates his rules and regulations for state-chartered banks for adjustable-rate mortgages, that we are going to be able to say to him, yes, you can do that, or, no you cannot, but I would like to give him the flexibility of being able to adjust to the Comptroller of the Currency.

Mr. COWELL. Mr. Speaker, correct me where I am wrong again. It seems that on the one hand you are suggesting that some of the amendments, some of the restrictive language that would be applicable to renegotiable-rate mortgages is acceptable, but on the other hand you are saying we ought to give the Secretary of Banking enough latitude to completely ignore all of that by simply using the term "adjustable-rate mortgages."

Mr. L. E. SMITH. I did not say that at all, and if you cannot ask me the questions you want to ask me without distorting what you are trying to get at, I cannot answer your questions.

Mr. COWELL. Well, let me ask the question again. What is the difference between adjustable-rate mortgages and renegotiable-rate mortgages as the Pennsylvania Secretary of Banking might choose to make appropriate regulations?

Mr. L. E. SMITH. I have just read for you the definition of an adjustable-rate mortgage by the Comptroller of the Currency. I have read for you what a renegotiable-rate mortgage is for the savings and loan associations. I do not know what more I can tell you.

Mr. COWELL. In your opinion, is there a difference between those two definitions?

Mr. L. E. SMITH. Yes, there is.

The SPEAKER pro tempore. The Chair would remind the gentleman from Allegheny, Mr. Cowell, this is an interrogation, not to be argumentative. It looks like a long day. You have asked the same question eight different times, and I ask and request you to be more direct in your interrogation or else you may give your talk in favor or against the amendment.

Mr. COWELL. Mr. Speaker, very respectfully, I may have asked the question eight times; I am still waiting for the first answer.

The SPEAKER pro tempore. The gentleman answered, and I am trying to keep the interrogation within the limits of interrogation.

Mr. COWELL. Mr. Speaker, I do not mean to be argumentative. I would suggest that Mr. Smith has not described the differences. He has read a couple of definitions. On the one

hand he has said—and I am going to phrase this as a question, Mr. Smith

The SPEAKER pro tempore. Are you interrogating now or are you making your talk?

Mr. COWELL. I am trying to provide some background for the question so Mr. Smith may understand the question and understand my reason for the question.

On the one hand you have read a definition from the Federal regs for adjustable-rate mortgages, and you have said they do not address the question of renegotiable-rate mortgages. Then on the other hand you have read from the Pennsylvania Secretary of Banking a definition of renegotiable-rate mortgage that says that they do not have a definition of adjustable-rate mortgage. It would seem to me that they may be referring to exactly the same thing although they use different terms. And I am asking the gentleman, Mr. Smith, if he agrees that they may be referring to the same thing or if they are not, where in the Federal regulations do we define the definition of renegotiable-rate mortgage and where in the state regulations do we find the definition of adjustable-rate mortgage? If they do not mean the same thing, there is a void at the Federal level and the state level in terms of a couple of definitions.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, this question is a little bit wide, and I, maybe for clarification purposes - I hate to bore the House with this - just so we know what the Comptroller of the Currency is doing with his regulations, I would like to read further from his comments. This regulation is intended to encourage national bank participation in the residential mortgage market. It provides a flexible framework within which banks can design mortgages to meet the needs of their local markets and borrowers, while at the same time, responding to changes in interest rates that affect their cost of funds. The rule also sets forth specific limits on interest rate changes and requirements for comprehensive consumer disclosure to protect the interest of borrowers. That is what the Feds were trying to do. They do not nail down anything as far as terminology is concerned, and I do not know why we should be attempting to do that.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Allegheny, Mr. Cowell.

Mr. COWELL. Mr. Speaker, I think, if nothing else, the interrogation that we have just gone through suggests that there is a huge void in terms of concrete definitions and to some extent a huge void in terms of an understanding of what we mean when we use the terms "renegotiable-rate mortgage," which is not defined in this legislation anywhere, or use the word "adjustable-rate mortgage," the only definition of which we have heard comes from the Federal regs.

It is quite reasonable to think—not to know with any certainty but to think—that those terms may mean one and the same. But we do not know that with any certainty today. It is reasonable to think that. I think it is very reasonable for this legislature to make a decision about what we mean to say, and to make that decision and reflect that decision through

language in this bill, HB 103, which is simply what the amendment before us or Mr. Cohen suggests we do.

To make it very clear, when we use the word "renegotiable-rate mortgage" or use the word "adjustable-rate mortgage" that we mean one and the same thing. To not do that will negate all of the debate that we have gone through for the past couple weeks about restrictions and legislative oversight, and consumer protection, because all those issues pertain only to the words "renegotiable-rate mortgages." If we do not clearly say renegotiable-rate mortgages equals adjustable-rate mortgage, we leave the door open for the Secretary of Banking in Pennsylvania to say, well, the legislature has spoken with clarity on renegotiable-rate mortgages and they have provided certain restrictions and we will abide by those restrictions, but in the next breath the Secretary can also say, but we are going to call it a wide-open ball game on adjustable rate mortgages with no consumer protection and completely ignoring the restrictions that were reflected in HB 103 by the legislature. I do not think we should permit that to happen. I think we ought to close the potential loophole, and we can best do it by adopting the Cohen amendment. Thank you.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—91

Barber	Evans	Lucyk	Seventy
Belfanti	Fee	McCall	Showers
Berson	Fryer	McIntyre	Shupnik
Blaum	Gallagher	McMonagle	Steighner
Borski	Gamble	Manderino	Stewart
Brown	Grabowski	Michlovic	Stuban
Caltagirone	Gray	Miscevich	Swaim
Cappabianca	Greenfield	Morris	Sweet
Cawley	Gruitza	Mrkonic	Taylor, F. E.
Clark	Haluska	Murphy	Tigue
Cochran	Harper	O'Donnell	Trello
Cohen	Hoeffel	Olasz	Van Horne
Colafella	Horgos	Oliver	Wachob
Cole	Hutchinson, A.	Pendleton	Wambach
Cordisco	Irvis	Petrarca	Wargo
Cowell	Itkin	Petrone	White
DeMedio	Kowalshyn	Pievsky	Wiggins
DeWeese	Kukovich	Pistella	Williams, H.
Dawida	Laughlin	Pucciarelli	Williams, J. D.
Deal	Lescovitz	Richardson	Wozniak
Dombrowski	Letterman	Rieger	Wright, D. R.
Duffy	Levin	Ritter	Zwikl
Emerson	Lloyd	Rybak	

NAYS—106

Anderson	Fleck	Lewis	Salvatore
Armstrong	Foster, W. W.	Livengood	Saurman
Arty	Foster, Jr., A.	McClatchy	Serafini
Belardi	Frazier	Mackowski	Sieminski
Beloff	Freind	Madigan	Sirianni
Bittle	Gallen	Maiale	Smith, B.
Bowser	Gannon	Manmiller	Smith, E. H.
Boyes	Geist	Marmion	Smith, L. E.
Brandt	George	Merry	Snyder
Burd	Gladeck	Micozzie	Spencer
Burns	Greenwood	Miller	Spitz
Cessar	Grieco	Moehlmann	Stairs
Cimini	Gruppo	Mowery	Stevens
Civera	Hagarty	Mullen	Swift
Clymer	Hasay	Nahill	Taddonio
Cornell	Hayes	Noye	Taylor, E. Z.
Coslett	Heiser	Perzel	Telek

Cunningham	Honaman	Peterson	Vroon
DeVerter	Hutchinson, W.	Phillips	Wass
Daikeler	Jackson	Piccola	Wenger
Davies	Johnson	Pitts	Weston
Dietz	Kanuck	Pott	Wilson
Dininni	Kennedy	Punt	Wogan
Donatucci	Klingaman	Rappaport	Wright, J. L.
Dorr	Lashingier	Rasco	
Durham	Lehr	Reber	Ryan,
Fischer	Levi	Rocks	Speaker

NOT VOTING—3

Alden	Earley	Pratt
EXCUSED—3		
Kolter	McVerry	Wilt

The question was determined in the negative, and the amendments were not agreed to.

**THE SPEAKER (MATTHEW J. RYAN) IN THE CHAIR**

The SPEAKER. The Chair thanks the gentleman from Tioga, Mr. Spencer, for presiding temporarily.

**CONSIDERATION OF HB 103 CONTINUED**

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. COHEN offered the following amendments No. A570:

Amend Sec. 1, page 1, line 20, by removing the comma after "310" and inserting and subsection (a) of section 505,

Amend Sec. 1, page 1, line 22, by striking out "is" and inserting are

Amend Sec. 1 (Sec. 310), page 2, line 22, by striking out all of said line and inserting

this section, the following further conditions shall apply:

(1) the amount of increase in the per annum interest rate on a renegotiable rate mortgage may not exceed five percent between the date of the loan and the date of maturity: Provided however, That the maximum rate increase or decrease shall be one percent per year multiplied by the number of years in the loan term, with a maximum increase or decrease of five percent over the life of the mortgage;

(2) interest rate increases warranted by increases in the chosen index may be imposed at the bank's option, but decreases are mandatory;

(3) the mortgagee must be given, along with the

Amend Bill, page 3, by inserting between lines 14 and 15 Section 505. Real Estate Loans

(a) Permissible loans; maximum amount and term—A savings bank may, subject to the requirements of this section, make or acquire a loan secured by a lien on real estate (including a leasehold) located in any state or the District of Columbia, in a dependency or insular possession of the United States or in the Commonwealth of Puerto Rico, in an amount and for a term not to exceed:

(i) in the case of improved real estate, including farm land:

(A) two-thirds of the value for ten years, if unamortized; or

(B) four-fifths of the value for thirty years, if the terms of the loan require payments which are substan-

tially equal except for the last payment at successive intervals of not more than one year each and in an amount sufficient to pay all principal of and interest on the loan within thirty years, except that a loan to a commercial or industrial borrower is exempted from the requirement of substantially equal payments and the date of the initial payment on a loan to such borrower may be deferred for a period not in excess of three years from the date of the loan: Provided, however, That whenever a renegotiable rate mortgage loan is to be made under the authority of this section, the mortgagor must be given, along with the letter of commitment, written notice of the initial base value of the reference index to be utilized as a base in determining interest rate increases and decreases: And, provided further, That the following conditions shall apply:

(1) the maximum rate increase or decrease shall be one percent per year multiplied by the number of years in the loan term, with a maximum increase or decrease of five percent over the life of the mortgage;

(2) interest rate increases warranted by increases in the chosen index may be imposed at the bank's option but decreases are mandatory; or

(C) ninety percent of the value of a one family residential property for thirty years, in an amount not to exceed forty thousand dollars (\$40,000), unless the department by regulation approves the granting of loans under this subsection in greater amounts, subject to the same requirements set forth in clause (B); or

(D) ninety-five percent of the value for thirty years, if that portion of the loan in excess of seventy-five percent of the value is made in reliance upon a private company mortgage insurance or guarantee acceptable to the Department of Banking, subject to the same requirements set forth in clause (B); or

(ii) in the case of unimproved real estate to be acquired or developed with the proceeds of the loan:

(A) two-thirds of the value for three years, or

(B) three-fourths of the value for five years, when utilities, roads or streets necessary for the development of such real estate have been completed.

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On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, this is a 1-percent annual cap amendment. This says that the rate cannot be raised more than 1 percent annually.

The Federal regulations provide 2 percent. One percent is awfully high. On a 14-percent mortgage now, an increase of 1 percent a year translates into an additional 7 percent a year in annual payments. That is a pretty substantial increase. At the end of 2 years, 1 percent can be 14 percent above; at the end of 3 years, 1 percent can be 21 percent above. This is a substantial increase. As it is, it is higher than I would like to offer. The only thing stopping me from offering a lower one is a sense it is not going to do any good. I think 1 percent is far better than 2 percent. Two percent would translate into a 14-percent increase at a 14-percent mortgage after 1 year; a 28-percent increase after 2 years; 42-percent increase after 3 years; 56-percent increase after 4 years. We cannot afford a 2-percent increase; 1-percent increase is bad enough. I urge support for 1-percent annually.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I would ask for a "no" vote on this amendment.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pott.

Mr. POTT. The adoption of the Taylor amendment on regulatory review certainly negates the necessity of adopting this additional regulation and statute. Thank you.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—84

Barber	Evans	Lucyk	Rieger
Belfanti	Fee	McCall	Ritter
Berson	Fryer	McIntyre	Rybak
Blaum	Gallagher	McMonagle	Seventy
Borski	Gamble	Manderino	Shupnik
Brown	George	Michlovic	Stewart
Caltagirone	Gray	Miscevich	Stuban
Cawley	Greenfield	Morris	Swaim
Clark	Gruitza	Mrkonic	Taylor, F. E.
Cochran	Haluska	Mullen	Tigue
Cohen	Harper	Murphy	Trello
Colafella	Hoefel	O'Donnell	Van Horne
Cole	Horgos	Olasz	Wambach
Cordisco	Irvis	Oliver	Wargo
Cowell	Itkin	Petrarca	White
DeMedio	Kowalyszyn	Petrone	Wiggins
DeWeese	Kukovich	Pievsky	Williams, H.
Dawida	Laughlin	Pistella	Williams, J. D.
Deal	Lescovitz	Pratt	Wozniak
Duffy	Levin	Pucciarelli	Wright, D. R.
Emerson	Lloyd	Richardson	Zwikl

NAYS—114

Anderson	Fleck	Lewis	Serafini
Armstrong	Foster, W. W.	Livengood	Showers
Arty	Foster, Jr., A.	McClatchy	Sieminski
Belardi	Frazier	Mackowski	Sirianni
Beloff	Freind	Madigan	Smith, B.
Bittle	Gallen	Maiale	Smith, E. H.
Bowser	Gannon	Manmiller	Smith, L. E.
Boyes	Geist	Marmion	Snyder
Brandt	Gladeck	Merry	Spencer
Burd	Grabowski	Micozzie	Spitz
Burns	Greenwood	Miller	Stairs
Cappabianca	Grieco	Moehlmann	Steighner
Cessar	Gruppo	Mowery	Stevens
Cimini	Hagarty	Nahill	Sweet
Civera	Hasay	Noye	Swift
Clymer	Hayes	Pendleton	Taddonio
Cornell	Heiser	Perzel	Taylor, E. Z.
Coslett	Honaman	Peterson	Telek
Cunningham	Hutchinson, A.	Phillips	Vroon
DeVerter	Hutchinson, W.	Piccola	Wachob
Daikeler	Jackson	Pitts	Wass
Davies	Johnson	Pott	Wenger
Dietz	Kanuck	Punt	Weston
Dininni	Kennedy	Rappaport	Wilson
Dombrowski	Klingaman	Rasco	Wogan
Donatucci	Lashingner	Reber	Wright, J. L.
Dorr	Lehr	Rocks	
Durham	Letterman	Salvatore	Ryan,
Fischer	Levi	Saurman	Speaker

NOT VOTING—2

Alden	Earley
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EXCUSED—3

Kolter            McVerry            Wilt

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. LEVIN offered the following amendments No. A481:

Amend Bill, page 3, by inserting between lines 14 and 15 Section 2. The act is amended by adding sections to read:  
Section 310.1. Demand Mortgage Prohibited

Except in the case of a due-on-sale clause or except in the case of a default and in accordance with the act of January 30, 1974 (P.L.13, No.6), referred to as the Loan Interest and Protection Law, no loan for financing the purchase of a one or two family residential property shall contain a provision that the loan may be accelerated at the lender's option. Section 505.1. Demand Mortgages Prohibited

Except in the case of a due-on-sale clause or except in the case of a default and in accordance with the act of January 30, 1974 (P.L.13, No.6), referred to as the Loan Interest and Protection Law, no loan for financing the purchase of a one or two family residential property shall contain a provision that the loan may be accelerated at the lender's option.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Levin.

Mr. LEVIN. I will try to keep this very brief on both of my amendments. They are really very simple, and they have been argued before. They are almost identical to the amendments that we argued about last week and put in the other bill, which was HB 210.

The first of the two amendments prohibits demand language in a mortgage. By that, what I mean is that the lender may not put a clause in the small print saying that at his option the mortgage may be called. That would mean that you would take out a mortgage even if it was a variable-rate and if he found that he no longer wanted to lend money to you, he could simply demand that you pay off the mortgage at any time during the life of the mortgage. While that is not a clause that has been used in Pennsylvania, it has been used in other jurisdictions as a means of getting increased flexibility for the lenders at increased rates. My concern about it is that it would obligate a working-class man, because this amendment only applies to residential properties; this is not commercial or industrial now. It would obligate him to go out and refinance somewhere down the pike, and he would have no protection from additional service charges and origination fees.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, would the gentleman from Philadelphia consent to brief interrogation?

The SPEAKER. The gentleman indicates he consents to interrogation. The gentleman, Mr. Rappaport, may proceed.

Mr. RAPPAPORT. Mr. Speaker, is it the intent of this amendment to apply only to a residential loan, not to a commercial loan?

Mr. LEVIN. That is correct. And if you will look at the language, it says, "...no loan for financing the purchase of a one or two family residential property..." In fact, I excluded, at the request of Mr. Smith, properties of three- and four-family dwellings which traditionally have been included in residential, but since they are generally residential properties, I was willing to restrict it to only residents of one or two families.

Mr. RAPPAPORT. Mr. Speaker, perhaps the gentleman can enlighten me further. Let us assume you have a store on the first floor and two apartments upstairs and there is a loan made. Would that be a residential loan or a commercial loan?

Mr. LEVIN. Commercial.

Mr. RAPPAPORT. Thank you, Mr. Speaker. I thank the gentleman.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, we agreed to put this amendment into the Savings Code last week, but now we have the regulations from the Comptroller which permit short-term and demand loans for residential properties, and they are done with some very strict and stringent disclosure regulations. Here, again, we have to decide if we are going to allow the state-chartered banks to have parity with the national banks, and I want to make it very clear that the Comptroller of the Currency has authorized these to national banks and I do not think we should put this into law. I ask for a "no" vote.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Levin.

Mr. LEVIN. I find it very disturbing that we could possibly envision that the normal residential mortgage holder would be sophisticated enough when he goes into his local bank to read that little clause. He is generally represented by a real estate broker. He is not represented by a lawyer. He is handed a piece of paper that is three or four pages long, and inside one of those clauses is this little mickey that says to him that he does not know that someday someone could call his mortgage at just the time in his life when he cannot stand it. It is inconceivable to me that this body would want to permit the banks that kind of authority.

We have traditionally restricted banks. Obviously, most banks would not do this and would not take advantage of little lenders. But there are banks out there that would do this and in fact they are doing it now, and I think it is just prudent on our part to be certain that no matter what the Comptroller does, this does not happen in Pennsylvania.

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. I rise to support the Levin amendment.

In my opening remarks several weeks ago, one of the inherent dangers in HB 103 was this particular problem of demand mortgages on residential one- or two-family dwellings. I think we have taken care of the matter to the savings and loan association and I think we should do likewise for the banks. That should be the policy of this Commonwealth and not leave that up to any regulatory agency. I support the amendment.

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, Mr. Levin's amendment is most appropriate in this vein. We are constantly referring to the Federal chartered banks. This would give people in Pennsylvania who wish to make a loan of any amount the kind of protection that we are looking to give them. I believe that the demand mortgage that is inherent in the Federal law should be exempted from Federal law and should be exempted by this amendment. Mr. Speaker, I ask for support.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—113

Barber	Fryer	McIntyre	Rybak
Belfanti	Gallagher	McMonagle	Seventy
Beloff	Gamble	Majale	Showers
Berson	Gannon	Manderino	Shupnik
Blaum	George	Michlovic	Snyder
Borski	Grabowski	Miscevich	Spitz
Brown	Gray	Morris	Steighner
Burns	Greenfield	Mrkonic	Stewart
Caltagirone	Greenwood	Mullen	Stuban
Cappabianca	Gruitza	Murphy	Swaim
Cawley	Hagarty	Nahill	Sweet
Clark	Haluska	O'Donnell	Taddonio
Cochran	Hoeffel	Olasz	Taylor, F. E.
Cohen	Horgos	Oliver	Tigue
Colafella	Hutchinson, A.	Pendleton	Trello
Cole	Iris	Petrarca	Van Horne
Cordisco	Itkin	Petrone	Wachob
Cowell	Kanuck	Phillips	Wambach
DeMedio	Kowalyszyn	Pievsky	Wargo
DeWeese	Kukovich	Pistella	Wass
Dawida	Laughlin	Pratt	White
Deal	Lescovitz	Pucciarelli	Wiggins
Dombrowski	Letterman	Punt	Williams, H.
Donatucci	Levin	Rappaport	Williams, J. D.
Duffy	Livengood	Reber	Wilson
Durham	Lloyd	Richardson	Wozniak
Emerson	Lucyk	Rieger	Wright, D. R.
Evans	McCall	Ritter	Zwikl
Fee			

NAYS—84

Anderson	Fischer	Levi	Saurman
Armstrong	Fleck	Lewis	Serafini
Arty	Foster, W. W.	McClatchy	Sieminski
Belardi	Foster, Jr., A.	Mackowski	Sirianni
Birtle	Frazier	Madigan	Smith, B.
Bowser	Freind	Manmiller	Smith, E. H.
Boyes	Gallen	Marmion	Smith, L. E.
Brandt	Geist	Merry	Spencer
Burd	Gladeck	Micozzie	Stairs
Cessar	Grieco	Miller	Stevens
Cimini	Gruppo	Moehlmann	Swift
Civera	Hasay	Mowery	Taylor, E. Z.
Clymer	Hayes	Noye	Telek
Cornell	Heiser	Perzel	Vroon



Coslett	Honaman	Peterson	Wenger
Cunningham	Hutchinson, W.	Piccola	Weston
DeVerter	Jackson	Pitts	Wogan
Daikeler	Johnson	Pott	Wright, J. L.
Davies	Kennedy	Rasco	
Dietz	Klingaman	Rocks	Ryan,
Dininni	Lashingner	Salvatore	Speaker
Dorr	Lehr		

NOT VOTING—3

Alden	Earley	Harper
		EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the affirmative, and the amendments were agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. LEVIN offered the following amendments No. A482:

Amend Bill, page 3, by inserting between lines 14 and 15 Section 2. The act is amended by adding sections to read: Section 310.1. Balloon Mortgages Prohibited Balloon loans are prohibited for financing the purchase of a one or two family residential property. Section 505.1. Balloon Mortgages Prohibited Balloon loans are prohibited for financing the purchase of a one or two family residential property.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Levin.

Mr. LEVIN. Consistent with what we did just a moment ago, the other prohibition I am putting in is prohibiting balloon mortgages. I explained that to you before. That is a mortgage which they are presently issuing in residential properties in Pennsylvania which I find almost impossible to conceive of being a vehicle that we should permit. It would allow, if we do not prohibit it, a bank to issue a mortgage for 3 years or 5 years and at the end of the 3 or 5 years the last payment would balloon and the entire mortgage would become due. The reason this is very dangerous is we are going to allow variable instruments, if a bank would like to avoid the limitations that may be in the act for a variable. For instance, if you have a restriction on the amount of interest that can rise within a certain period of time, they could instead issue a balloon. The balloon would be due at the end of 3 years or at the end of 5 years. At that point the borrower would be forced to come back into the bank and write an entirely new mortgage at whatever interest rate, whatever service charge, whatever origination fee he would have. Now, the extraordinary danger of that is that the bank might very well be able to get an effective interest rate of over 20 percent, and the borrower would never understand that because he

would never understand that he is going to be required 3 years or 5 years down the road to pay an additional origination fee and an additional servicing fee, which are generally 1 percent of the entire mortgage balance. Therefore, the lender would be in an impossibly advantageous position. The borrower would never understand that he has been had until it is much too late. We put this in HB 210. It certainly belongs in this bill.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, would the gentleman stand for interrogation?

The SPEAKER. The gentleman indicates that he will. The gentleman, Mr. Rappaport, may proceed.

Mr. RAPPAPORT. Mr. Speaker, could the gentleman inform the House as to whether this amendment applies only to residential mortgages as we discussed earlier?

Mr. LEVIN. I very clearly drafted this because I told this body last week that balloon mortgages have a place in commercial and industrial financing. They are useful for interim financing, they have no place in the residential market and this amendment is restricted to one- or two-family residential properties.

Mr. RAPPAPORT. Mr. Speaker, perhaps the gentleman can enlighten me further. Without getting into a debate on renegotiable rate mortgages where the gentleman and I may differ, would the language of this amendment affect the concept of renegotiable rate mortgages assuming that that becomes the law of Pennsylvania?

Mr. LEVIN. No.

Mr. RAPPAPORT. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, this amendment has the equal force of the previous amendment that the House okayed. Mr. Speaker, a balloon mortgage offered by a Federal institution as opposed to a nonballoon availability in a state institution would give the people of Pennsylvania an opportunity to make a selection. I can assure you making a selection for the state bank would be the one they would choose if in fact the Federal bank was going to have the opportunity to utilize balloon mortgages as the Federal "regs" have indicated. I would ask an affirmative vote, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, I would point out that this amendment is already the law of Pennsylvania and applies to all banking institutions. The banking department sued a bank in Hummelstown that was putting in balloon payments on residential mortgages and won. Therefore, balloon payments are outlawed in Pennsylvania by regulation and by statute at the present time.

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. I want to rise in support of this amendment.

There are institutions right now under the Savings and Loan Code, contrary to what the previous speaker just said, that are issuing balloon mortgages. We have a list of them. They are not a good instrumentality. I think that we ought to give this the same treatment as we did the previous amendment and pass it; give the same parity that everyone who wants to give between the savings and loans and our state-chartered banks. Thank you.

On the question recurring,  
Will the House agree to the amendments?

(A rollcall vote was taken, but due to a malfunction the individual members' votes were not recorded.)

**VOTE RETAKEN**

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

**YEAS—112**

Barber	Fryer	McIntyre	Showers
Belfanti	Gallagher	McMonagle	Shupnik
Beloff	Gamble	Maiale	Sieminski
Berson	George	Manderino	Spitz
Blaum	Grabowski	Michlovic	Steighner
Borski	Gray	Miscevich	Stewart
Brown	Greenfield	Morris	Stuban
Burns	Greenwood	Mrkonic	Swaim
Caltagirone	Gruitza	Mullen	Sweet
Cappabianca	Haluska	Murphy	Taddonio
Cawley	Harper	O'Donnell	Taylor, F. E.
Clark	Hoeffel	Olasz	Telek
Cochran	Horgos	Oliver	Tigue
Cohen	Hutchinson, A.	Pendleton	Trello
Colafella	Irvis	Petrarca	Van Horne
Cole	Itkin	Petrone	Wachob
Cordisco	Klingaman	Phillips	Wambach
Cowell	Kowalshyn	Pievsky	Wargo
DeMedio	Kukovich	Pistella	Wass
DeWeese	Laughlin	Pratt	White
Davies	Lescovitz	Pucciarelli	Wiggins
Dawida	Letterman	Punt	Williams, H.
Deal	Levi	Rappaport	Williams, J. D.
Dombrowski	Levin	Richardson	Wilson
Donatucci	Livengood	Rieger	Wogan
Duffy	Lloyd	Ritter	Wozniak
Evans	Lucyk	Rybak	Wright, D. R.
Fee	McCall	Seventy	Zwikel

**NAYS—82**

Alden	Durham	Kanuck	Pott
Anderson	Fischer	Kennedy	Rasco
Armstrong	Fleck	Lashingner	Reber
Arty	Foster, W. W.	Lehr	Salvatore
Belardi	Foster, Jr., A.	Lewis	Saurman
Bittle	Frazier	McClatchy	Serafini
Bowser	Freind	Mackowski	Sirianni
Boyes	Gallen	Madigan	Smith, B.
Burd	Gannon	Manmiller	Smith, E. H.
Cessar	Geist	Marmion	Smith, L. E.
Cimini	Gladeck	Merry	Snyder
Civera	Grieco	Micozzie	Spencer
Clymer	Gruppo	Miller	Stairs
Cornell	Hagarty	Moehlmann	Taylor, E. Z.
Coslett	Hasay	Mowery	Vroon
Cunningham	Hayes	Nahill	Wenger
DeVerter	Heiser	Noye	Weston
Daikeler	Honaman	Perzel	Wright, J. L.
Dietz	Hutchinson, W.	Peterson	
Dininni	Jackson	Piccola	Ryan,

Dorr Johnson Pitts Speaker

NOT VOTING—6

Brandt Emerson Stevens Swift  
Earley Rocks

EXCUSED—3

Kolter McVerry Wilt

The question was determined in the affirmative, and the amendments were agreed to.

**RECESS**

The SPEAKER. The Chair is about to declare, without objection, a recess.

The Chair recognizes the majority leader.

Mr. HAYES. I concur with the Speaker. We should stop now for the purpose of taking lunch. Let us return at 1:15 and begin debate on Amos Hutchinson's amendment. Thank you, Mr. Speaker.

The SPEAKER. Does the majority leader have any further business? Does the minority leader have any further business?

Without objection, this House stands in recess until 1:15 p.m. The Chair hears none.

**AFTER RECESS**

The time of recess having expired, the House was called to order.

**CONSIDERATION OF HB 103 RESUMED**

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Is the gentleman, Mr. Cohen, on the floor of the House?

Mr. COHEN. Mr. Speaker, I am speechless before such a large crowd. I have never given a speech before such a huge assemblage.

The SPEAKER. Does the gentleman have amendments to offer to HB 103? The Speaker's agenda indicates the gentleman has amendment No. 484 to HB 103.

Mr. COHEN. That is correct, Mr. Speaker.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. COHEN offered the following amendments No. A484:

Amend Bill, page 3, by inserting between lines 14 and 15 Section 2. The act is amended by adding sections to read: Section 310.1. Prepayment Penalty Prohibited

Residential mortgage obligations for financing the purchase of a one or two family residential property may be prepaid without any penalty or other charge for such prepayment at any time before the end of the period of the loan. Section 505.1. Prepayment Penalty Prohibited

Residential mortgage obligations for financing the purchase of a one or two family residential property may be prepaid without any penalty or other charge for such prepayment at any time before the end of the period of the loan.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, I do not have extensive remarks prepared and only a very small percentage of the House is now present and in their seats. So if I speak for a few minutes on this in the absence of a quorum, then by the time people get here they will not know what I have said.

The SPEAKER. Mr. Cohen, the House recess expired at 1:15. If the gentleman has amendments to offer, I suggest the gentleman offer them.

Mr. COHEN. Mr. Speaker, I would like to call for a quorum.

The SPEAKER. The Chair recognizes the presence of a quorum.

Would the gentleman care to debate the amendments?

Mr. COHEN. Mr. Speaker, this amendment simply prohibits prepayment penalties. Under the mortgage laws right now, prepayment penalties are prohibited up to \$50,000. As inflation continues to occur, the \$50,000 cap becomes more and more meaningless, affecting a smaller and smaller percentage of residential home owners and prospective residential home owners. This flatly prohibits for both state-chartered banks and mutual savings banks any prepayment penalties whatsoever. It is important for the state to prohibit prepayment penalties in order to make sure that the person who buys the mortgage is protected against any arbitrary and unfair discouragement by the state-chartered banks or by the mutual savings banks in attempting to satisfy his obligation.

I would, therefore, urge that we pass this very, very simple and, hopefully, very uncontroversial amendment.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, would the gentleman consent to interrogation?

The SPEAKER. The gentleman indicates he will, and the gentleman, Mr. Rappaport, may proceed.

Mr. RAPPAPORT. Mr. Speaker, is it the intent of the gentleman to apply the rule against prepayment penalties to mortgages in excess of \$50,000?

Mr. COHEN. Yes, it is, Mr. Speaker.

Mr. RAPPAPORT. Mr. Speaker, is the gentleman aware that at the present time all loans of whatever type in excess of \$50,000 are presently free from any regulation whatsoever under the usury laws of Pennsylvania?

Mr. COHEN. Yes, Mr. Speaker.

Mr. RAPPAPORT. Does the gentleman feel that somebody who has enough credit rating to get a mortgage in at least the sum of \$50,000 is in need of the protection of this General Assembly?

Mr. COHEN. Mr. Speaker, as inflation occurs, the \$50,000 house becomes less and less of something for only the upper-middle class. The average house now sold in the United States goes for \$65,000. Even in my own legislative district, which is hardly the most affluent of districts, houses are now selling in excess of \$50,000. The inflation rate for houses is now 12 percent, according to the most recent month, so as time goes on, the limit of \$50,000 will become a glaring loophole which will cover more and more houses.

Mr. RAPPAPORT. Mr. Speaker, could the gentleman inform us, under the gentleman's reasoning, that this would apply to a home mortgage in the sum of \$500,000 as well?

Mr. COHEN. Yes, Mr. Speaker, it would.

Mr. RAPPAPORT. It would. I see.

Mr. Speaker, could the gentleman also inform me as to whether this applies to commercial loans as well as residential loans?

Mr. COHEN. No; it applies exclusively to residential loans.

Mr. RAPPAPORT. Is the gentleman aware of the fact that there are other lenders besides savings and loans and commercial banks, such as Household Finance Discount Company, that give out first mortgages on residences in Pennsylvania?

Mr. COHEN. That is not before us, Mr. Speaker.

Mr. RAPPAPORT. Mr. Speaker, is the gentleman aware of that fact?

Mr. COHEN. I am not aware of the details behind those facts.

Mr. RAPPAPORT. I see. Mr. Speaker, in the gentleman's opinion, would this amendment to the Banking Code apply to a lender that was not a bank nor savings and loan nor savings bank?

Mr. COHEN. No, Mr. Speaker, it would not.

Mr. RAPPAPORT. Thank you, Mr. Speaker.

I would like to be recognized for a few moments.

The SPEAKER. The gentleman is in order.

Mr. RAPPAPORT. Mr. Speaker, the gentleman makes a cogent point about inflation, and had his amendment raised the \$50,000 on residential loans to, say, \$60,000 or \$65,000, it would have been an attractive amendment. I am not saying I would have voted for it, but it would be an attractive amendment.

Mr. COHEN. I appreciate the gentleman's honesty here.

Mr. RAPPAPORT. Mr. Speaker, I thought I had the floor.

The SPEAKER. So did I. The gentleman may proceed.

Mr. RAPPAPORT. Thank you, Mr. Speaker.

However, what we have here is the open end of the amendment. That rich executive of the United States Steel Corporation who is buying a home in Sewickley for \$750,000 and getting a mortgage for \$500,000 is desperately in need of the protection of this General Assembly in his dealings with Mellon National Bank, desperately in need of it, according to this amendment. I think not.

In addition, Mr. Speaker, under the recent Federal legislation that the gentleman from Philadelphia has exhibited such familiarity with in earlier debates, any consumer discount company in Pennsylvania that did more than \$1 million in business last year can now give out residential first mortgages,

and they are doing it every day and they would not be bound by this amendment at all.

If it is the purpose of the gentleman to protect the consumers of Pennsylvania, I would suggest that he prepare an amendment to the usury law, Act 6, and thus apply it to all lenders and put it in a reasonable amount and then perhaps most of us, I am sure most of us, could support the amendment. However, what the gentleman is attempting to do is not done by this amendment and merely affects only some of the lenders in Pennsylvania. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, the previous speaker has made the point against this amendment. I would like to go one step further. In the Federal regulations, which will go into effect probably by Monday, the prepayment penalty is provided for the first term of the mortgage, and I do not believe we should put this into the law. It is adequately spoken to in the Federal regulations.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, there may be a few unworthy millionaires who are going to benefit from this amendment, and I certainly am not against the wealthy. If a few millionaires benefit from this amendment, that is okay with me. This is basically an amendment for the middle-class citizen. The middle-class citizen is going to be the main beneficiary of these amendments. I very much urge your support of them, and I urge only those present in their seats be recorded as voting on this issue.

On the question recurring,  
Will the House agree to the amendments?

(Members proceeded to vote.)

VOTES CHALLENGED

Mr. COHEN. Is Miss Sirianni in her seat, Mr. Speaker?

The SPEAKER. Only those members in their seats are permitted to vote.

Mr. COHEN. Is Mr. Cornell here? Is Mr. Salvatore here? Is Mr. Telek here, Mr. Speaker? Mr. Telek's is still up there even though he is not present. Mr. Speaker, can Mr. Telek's name be stricken? Is Mr. Piccola here, Mr. Speaker?

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—80

Barber	Duffy	Levin	Ritter
Belfanti	Evans	Lloyd	Rybak
Berson	Fee	Lucyk	Seventy
Blaum	Fryer	McCall	Shupnik
Borski	Gallagher	Manderino	Steighner
Brown	Gamble	Michlovic	Stewart
Caltagirone	George	Miscevich	Stuban
Cappabianca	Grabowski	Morris	Taylor, F. E.
Cawley	Gray	Mrkonic	Tigue
Clark	Greenfield	Mullen	Trello
Cochran	Gruitza	Murphy	Van Horne
Cohen	Haluska	O'Donnell	Wachob
Colafella	Hoeffel	Olasz	Wambach
Cole	Horgos	Oliver	Wargo

Cordisco	Hutchinson, A.	Petrarca	White
Cowell	Irvic	Petrone	Wiggins
DeMedio	Itkin	Pievsky	Williams, J. D.
DeWeese	Kowalshyn	Pistella	Wozniak
Dawida	Kukovich	Pucciarelli	Wright, D. R.
Deal	Lescovitz	Richardson	Zwikl

NAYS—95

Anderson	Foster, W. W.	Maiale	Showers
Armstrong	Foster, Jr., A.	Manmiller	Sieminski
Arty	Freind	Marmion	Smith, B.
Belardi	Gallen	Merry	Smith, E. H.
Beloff	Gannon	Micozzie	Smith, L. E.
Bittle	Geist	Miller	Snyder
Brandt	Giadeck	Moehlmann	Spencer
Burd	Greenwood	Mowery	Spitz
Burns	Grieco	Noye	Stairs
Cessar	Gruppo	Pendleton	Stevens
Cimini	Hayes	Perzel	Swaim
Civera	Heiser	Peterson	Sweet
Clymer	Honaman	Phillips	Swift
Coslett	Hutchinson, W.	Piccola	Taddonio
Cunningham	Jackson	Pitts	Telek
DeVerter	Kennedy	Pott	Wass
Daikeler	Klingaman	Punt	Wenger
Davies	Lashingier	Rappaport	Weston
Dietz	Lehr	Rasco	Wilson
Dininni	Livengood	Reber	Wogan
Dombrowski	McClatchy	Rocks	Wright, J. L.
Donatucci	McMonagle	Salvatore	
Dorr	Mackowski	Saurman	Ryan,
Fischer	Madigan	Serafini	Speaker
Fleck			

NOT VOTING—25

Alden	Frazier	Laughlin	Pratt
Bowser	Hagarty	Letterman	Rieger
Boyes	Harper	Levi	Sirianni
Cornell	Hasay	Lewis	Taylor, E. Z.
Durham	Johnson	McIntyre	Vroon
Earley	Kanuck	Nahill	Williams, H.
Emerson			

EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and the amendments were not agreed to.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, I would like to pass on that amendment.

The SPEAKER. I am sorry, would the gentleman repeat his statement?

Mr. COHEN. I would like to pass on that amendment. I do not have it right in front of me.

The SPEAKER. Is the gentleman indicating he is withdrawing the amendment?

Mr. COHEN. No, Mr. Speaker. I am indicating I do not have eight copies in front of me to give to the Chair.

The SPEAKER. Would the gentleman advise the Chair how soon he expects to have the amendment?

Mr. COHEN. I have it. If we could dispense with the formality of my handing it to the Speaker, we could do it right now. All the members have it. I simply do not have eight copies of it.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. COHEN offered the following amendments No. A537:

Amend Sec. 1, page 1, line 20 by removing the comma after "310" and inserting and subsection (a) of section 505,

Amend Sec. 1, page 1, line 22 by striking out "is" and inserting are

Amend Bill, page 3, by inserting between lines 14 and 15 Section 505. Real Estate Loans

(a) Permissible loans; maximum amount and term—A savings bank may, subject to the requirements of this section, make or acquire a loan secured by a lien on real estate (including a leasehold) located in any state or the District of Columbia, in a dependency or insular possession of the United States or in the Commonwealth of Puerto Rico, in an amount and for a term not to exceed:

(i) in the case of improved real estate, including farm land:

(A) two-thirds of the value for ten years, if unamortized; or

(B) four-fifths of the value for thirty years, if the terms of the loan require payments which are substantially equal except for the last payment at successive intervals of not more than one year each and in an amount sufficient to pay all principal of and interest on the loan within thirty years, except that a loan to a commercial or industrial borrower is exempted from the requirement of substantially equal payments and the date of the initial payment on a loan to such borrower may be deferred for a period not in excess of three years from the date of the loan: Provided, however, That whenever a renegotiable rate mortgage loan is to be made under the authority of this section, the mortgagor must be given, along with the letter of commitment, written notice of the initial base value of the reference index to be utilized as a base in determining interest rate increases and decreases: And provided further, That the following conditions shall apply:

(1) the maximum rate increase or decrease shall be five percent over the life of the mortgage;

(2) interest rate increases warranted by increases in the chosen index may be imposed at the bank's option, but decreases are mandatory; or

(C) ninety percent of the value of a one family residential property for thirty years, in an amount not to exceed forty thousand dollars (\$40,000), unless the department by regulation approves the granting of loans under this subsection in greater amounts, subject to the same requirements set forth in clause (B); or

(D) ninety-five percent of the value for thirty years, if that portion of the loan in excess of seventy-five percent of the value is made in reliance upon a private company mortgage insurance or guarantee acceptable to the Department of Banking, subject to the same requirements set forth in clause (B); or

(ii) in the case of unimproved real estate to be acquired or developed with the proceeds of the loan:

(A) two-thirds of the value for three years, or

(B) three-fourths of the value for five years, when utilities, roads or streets necessary for the development of such real estate have been completed.

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On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, this is a 5-percent cap for mutual savings banks. We have a 5-percent cap thanks to Mr. Smith on state-chartered banks. This merely equalizes the situation with mutual savings banks and state-chartered banks. In addition, it does so with clearer language.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, this is very similar to an amendment we defeated this morning. I do not want to prolong the House with further debate. We should vote this amendment down.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—85

Barber	Fee	Lloyd	Seventy
Belfanti	Fryer	Lucyk	Shupnik
Berson	Gallagher	McCall	Spitz
Blaum	Gamble	McMonagle	Stevens
Borski	George	Manderino	Stewart
Brown	Grabowski	Michlovic	Stuban
Caltagirone	Gray	Miscevich	Swaim
Cawley	Greenfield	Mrkonic	Taylor, F. E.
Clark	Greenwood	Mullen	Tigue
Cochran	Gruitza	Murphy	Trello
Cohen	Haluska	O'Donnell	Van Horne
Colafella	Harper	Olasz	Wachob
Cole	Hoeffel	Oliver	Wambach
Cordisco	Horgos	Petrarca	Wargo
Cowell	Irvic	Petrone	Wass
DeMedio	Itkin	Pievsky	White
DeWeese	Kowalshyn	Pucciarelli	Wiggins
Dawida	Kukovich	Richardson	Williams, J. D.
Deal	Lescovitz	Rieger	Wozniak
Duffy	Letterman	Ritter	Wright, D. R.
Emerson	Levin	Rybak	Zwikl
Evans			

NAYS—102

Alden	Dorr	Lewis	Salvatore
Anderson	Durham	Livengood	Saurman
Armstrong	Fischer	McClatchy	Serafini
Arty	Fleck	Mackowski	Showers
Belardi	Foster, W. W.	Madigan	Sieminski
Beloff	Foster, Jr., A.	Maiale	Sirianni
Bittle	Freind	Manmiller	Smith, B.
Bowser	Gallen	Marmion	Smith, E. H.
Boyes	Gannon	Merry	Smith, L. E.
Brandt	Geist	Micozzie	Snyder
Burd	Gladeck	Miller	Spencer
Burns	Grieco	Moehlmann	Stairs
Cappabianca	Gruppo	Morris	Steighner
Cessar	Hayes	Mowery	Sweet
Cimini	Heiser	Noye	Swift
Civera	Honaman	Pendleton	Taddonio
Clymer	Hutchinson, A.	Perzel	Taylor, E. Z.
Cornell	Hutchinson, W.	Phillips	Telek
Coslett	Jackson	Piccola	Wenger
Cunningham	Johnson	Pitts	Weston
Daikeler	Kennedy	Pott	Wilson
Davies	Klingaman	Punt	Wogan
Dietz	Lashinger	Rappaport	Wright, J. L.
Dininni	Laughlin	Rasco	
Dombrowski	Lehr	Reber	Ryan,
Donatucci	Levi	Rocks	Speaker

## NOT VOTING—13

DeVerter	Hasay	Nahill	Pratt
Earley	Kanuck	Peterson	Vroon
Frazier	McIntyre	Pistella	Williams, H.
Hagarty			

## EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and the amendments were not agreed to.

## REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Mifflin, Mr. DeVerter.

Mr. DeVERTER. Mr. Speaker, I pressed my switch on that last vote on the Cohen amendment A532 to HB 103 and it did not operate. I would like to be shown in the negative, please.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

## CONSIDERATION OF HB 103 CONTINUED

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. D. R. WRIGHT offered the following amendments No. A577:

Amend Title, page 1, line 16, by inserting after "mortgages"; for the crediting of certain deposits

Amend Bill, page 3, by inserting between lines 14 and 15 Section 2. The act is amended by adding a section to read: Section 611. Crediting of Certain Deposits. All deposits of cash, all checks deposited by the original payee and all checks payable to bearer as provided in 13 Pa.C.S. § 3111 (relating to payable to bearer) deposited by the initial endorser with any institution shall be credited to the account of the depositor on the day the deposit is received by the institution. The definition of "banking day" in 13 Pa.C.S. § 4104 (relating to definitions and index of definitions) and the provisions of § 4107 (relating to time of receipt of items) shall not be applicable for purposes of this section.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,

Will the House agree to the amendments?

The SPEAKER. The gentleman, Mr. Wright, sent to the amendment clerk A577. The schedule agenda calls for amendment No. 442. Is the gentleman satisfied that A577 is the proper amendment?

Mr. WRIGHT. Yes, sir.

The SPEAKER. The Chair recognizes the minority whip.

Mr. MANDERINO. Mr. Speaker, why are we deviating from the published list of order of priority in offering amendments at this time?

The SPEAKER. Because the offerers of the amendments suggested that I do this.

Mr. MANDERINO. Well, there is an offeror who is waiting to bring his amendments forward who has on this list priority over the gentleman whose amendment you are taking now, and they are very similar amendments.

Mr. Cordisco is on the list prior to the gentleman now being called, and the amendments are very similar, and we think that is not fair.

The SPEAKER. It is the Speaker's understanding that if the amendment offered by Mr. Wright was successful, there would be no need for the amendment offered.

Mr. MANDERINO. Obviously, and vice versa

The SPEAKER. Will the gentleman yield?

There would be no need for the amendment by Mr. Cordisco. I have not read either amendment, so I pass no judgment on this but thought that it would be in the best interest of the House that if we can avoid taking amendments that we do so.

Mr. MANDERINO. It would be, Mr. Speaker, in the best interest of Mr. Cordisco, who would love to have his amendment adopted, that he be called first so that he would not be shut out of the process by the acceptance of an amendment with another author.

Mr. D. R. WRIGHT. Mr. Speaker, I am confused as to which Democrat my leader is supporting here.

The SPEAKER. The only thing before the House at the moment is the taking of the consideration of amendment A577 offered by the gentleman, Mr. Wright.

The Chair recognizes the gentleman from Clarion, Mr. Wright.

Mr. D. R. WRIGHT. My amendment is a simple one. It simply requires banks to

Mr. MANDERINO. Mr. Speaker, have I had my answer?

The SPEAKER. Yes, you have.

Mr. MANDERINO. Mr. Speaker, before you go into the amendment, let me just for the record state that I think the process that you are going through now is unfair to Mr. Cordisco who relied on the published list and has asked that his amendment come up first. He is a freshman member, and I think had the Chair made that kind of decision to reverse the order, Mr. Cordisco was entitled to some advanced notice.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. Wright, may continue.

Mr. D. R. WRIGHT. Mr. Speaker, I guess I would say on that subject matter that I intend to support the speaker on that. As a matter of fact, Mr. Cordisco's amendment is a hitchhike amendment from the one that I previously introduced. He may want to do the same thing with mine. He may get some good ideas from this if it does not work out. I am not going to win anyway, so I may as well go down with some fun, Mr. Speaker.

My amendment is simple. All it does is require deposits of cash and all checks deposited by the original payee and all checks payable to the bearer to be credited to the account of the person on the day that the deposit is made. I understand this may be an agreed-to amendment, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I regret that I have to oppose my neighbor on this amendment. We beat this down last week, and I am disturbed. First, we are doing away with the Uniform Commercial Code for this section, and I do not think we should start that precedent. The second thing is that I want to give you an example of a case that I do not know how it could operationally be done under this amendment.

In Punxsutawney we have a branch of an Indiana Bank. This bank has drive-up windows that are operational at various times, depending on what day of the week it is, from 6 to 9 o'clock in the evening. Friday night happens to be one of those nights that that bank is open until 9 o'clock and it gets a great deal of play - people are cashing checks and depositing money. What I do not understand is, when that bank day closes at 3 o'clock and that bank in Indiana closes down their computer operation, I do not know how it is operationally possible to do what Mr. Wright is suggesting in this amendment unless that bank was forced to put on a crew for their nighttime activities.

Now, we have heard quite a great deal here in the past few days about consumer protection and interest rates and so forth. I suggest to you if that bank is forced to put on a crew to accommodate their nighttime drive-up hours, their costs of operation are going to go up and the cost of money is going to go up. So I would respectfully ask that we dispose of this amendment in the negative.

The SPEAKER. The Chair recognizes the gentleman from Clarion, Mr. Wright.

Mr. D. R. WRIGHT. I am impressed with the unending creativity of the gentleman, Mr. Smith. I proposed this amendment on previous occasions. On a similar amendment to which he had objections, I sought to meet those and I offered another similar amendment and I offered to meet his objections. I suspect that what he will have is an endless series of objections. He says on the one hand, Mr. Speaker, that we cannot support a previous amendment because we have to deal with the Uniform Commercial Code. I have made provisions in this amendment, and he says that we cannot eliminate the provisions of the Uniform Commercial Code in this amendment. The fact of the matter is that the Commercial Code says that a bank has a reasonable time to put the checks to the account of a depositor. Reasonable time has been an unreasonable time in a good many instances.

I want to take the time of the House to read for you a report from 4833 the Philadelphia Inquirer on May 11, 1980. "Some Philadelphia banks are systematically helping themselves to the temporary use of millions of dollars of their customers' money by telling people that they cannot use funds from checks deposited in their checking accounts for four to 10 days."

"The banks themselves get credit for such deposits—and use of the money—within a day or, at most, two days." And then this report goes on to say that "Most of the banks give their checking account customers only vague information (or none at all) in writing to explain when funds deposited in their

checking accounts are made available to them. The one bank that attempts..." such an "explanation..." this report goes on to say, "misstates the facts as to when the bank collects on deposited checks." Then there is a long report here on how banks are holding checks before they are put into the account of the depositor.

Finally, in conclusion, one of the banks asked the question: "Is the money 'there' as soon as I deposit a check?" And the bank's answer is, "If your check is written on another bank, it takes four to eight business days following the day of deposit for us to 'collect' these funds from the other bank and deposit them in your account." The Federal Reserve Board says, "that's just not accurate..." "Within two days they have the funds from us. And it is this kind of self-serving oversimplification that has provoked calls for tougher disclosure requirements."

Mr. Speaker, this is a reasonable amendment that meets the real problem. I ask for support of it.

The SPEAKER. The Chair recognizes the lady from Susquehanna, Miss Sirianni.

Miss SIRIANNI. Mr. Speaker, may I interrogate Mr. Wright?

The SPEAKER. The gentleman indicates he will stand for interrogation.

Mr. D. R. WRIGHT. I will stand. I may not respond.

Miss SIRIANNI. Mr. Speaker, which check is Mr. Wright worried about, his one from Clarion State College or his one from the state legislature?

Mr. D. R. WRIGHT. Mr. Speaker, I am concerned about all those checks that I earn.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon.

Mr. GANNON. Mr. Speaker, I rise in opposition to the amendment. I think putting something like this into law is going to cause a great deal of problems and confusion in the banking industry, particularly as it deals with instruments of this type. I do not see any provision in this amendment dealing with drafts which might be deposited into a customer's account.

The problem is going to be two-fold, Mr. Speaker. You are going to have a problem with the insurance that the banks carry so far as their coverage for losses as a result of fraudulent checks. For example, suppose, if this was enacted, someone deposited a check and it was immediately credited to his account and the bank would have to honor any check that was drawn down on that and then the deposited check did not clear; for some reason that check was returned by the corresponding bank. If that was a fraudulent transaction today, the bank—this is really good; listen. Under existing law, Mr. Speaker, if a check is deposited in an account, it is given a provisional credit. The bank then processes that check through the banking chain for the check to be honored by the corresponding bank. Now, if the bank permits its customer to draw down on that check before it is cleared, irrespective of whether or not it is a fraudulent transaction on the part of the customer, that is if it was done intentionally perhaps through a check-kiting scheme, the bank is going to sustain that loss

because, under current language in the Bankers Blanket Bond, that is considered a loan by the bank, because it permitted the check to be drawn on before the check that was deposited cleared the bank.

If this provision was put into law, the bank would now be required to honor any checks drawn on that account before the deposited check clears. That loss will not be covered by the bank's insurance, and you are also going to force the bank into a position that it will not have any idea as to what is going to happen to the check that is going through the banking chain, through the process to be cleared. It will not have any idea what is going to happen to that check, yet it will have to honor any checks or drafts drawn on that account.

The existing law has been in effect for a number of years and it has created a good banking practice. Changing the law in this respect is going to cause a great deal of confusion and a great deal of problems in the banking industry, and I think it is going to affect the bank's ability to pay those types of checks and drafts and it might affect other customer's accounts. The bank is going to be forced to pay out and it is going to have to get that money from somewhere.

I think this amendment is bad. I think it is really an impairment in the customary practice of the banking industry and it is going to create problems for the banks and the consumers and lead to, I cannot imagine, the type of banking practices that would have to be conducted under an amendment such as this. I urge a negative vote.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—71

Blaum	Emerson	Lucyk	Rybak
Borski	Fee	McCall	Seventy
Brown	Fryer	McIntyre	Shupnik
Caltagirone	Gamble	Manderino	Steighner
Cappabianca	George	Michlovic	Stewart
Cawley	Greenfield	Miscevich	Stuban
Clark	Gruitza	Mrkonic	Sweet
Cochran	Haluska	Murphy	Taylor, F. E.
Cohen	Horgos	O'Donnell	Trello
Colafella	Hutchinson, A.	Olasz	Van Horne
Cole	Iris	Oliver	Wachob
Cordisco	Kowalyszyn	Petrarca	Wambach
Cowell	Kukovich	Petrone	Wargo
DeMedio	Laughlin	Pievsky	Williams, H.
DeWeese	Lescovitz	Pistella	Wozniak
Dawida	Letterman	Pucciarelli	Wright, D. R.
Deai	Livengood	Rieger	Zwilk
Dombrowski	Lloyd	Ritter	

NAYS—122

Alden	Fischer	Levi	Serafini
Anderson	Fleck	Lewis	Showers
Armstrong	Foster, W. W.	McClatchy	Sieminski
Arty	Foster, Jr., A.	McMonagle	Sirianni
Barber	Frazier	Mackowski	Smith, B.
Belardi	Freind	Madigan	Smith, E. H.
Belfanti	Gallagher	Maiale	Smith, L. E.
Beloff	Gallen	Manmiller	Snyder
Berson	Gannon	Marmion	Spencer
Bittle	Geist	Merry	Spitz
Bowser	Gladeck	Micozzie	Stairs
Boyes	Grabowski	Müller	Stevens
Brandt	Gray	Moehlmann	Swaim
Burd	Greenwood	Morris	Swift

Burns	Grieco	Mowery	Taddonio
Cessar	Gruppo	Nahill	Taylor, E. Z.
Cimini	Hagarty	Noye	Telek
Civera	Harper	Pendleton	Tigue
Clymer	Hasay	Perzel	Vroon
Cornell	Hayes	Peterson	Wass
Cunningham	Heiser	Phillips	Wenger
DeVerter	Hoeffel	Piccola	Weston
Daikeler	Honaman	Pitts	White
Davies	Itkin	Pott	Wiggins
Dietz	Jackson	Punt	Williams, J. D.
Dininni	Johnson	Rappaport	Wilson
Donatucci	Kanuck	Rasco	Wogan
Dorr	Kennedy	Reber	Wright, J. L.
Duffy	Klingaman	Rocks	
Durham	Lashingier	Salvatore	Ryan, Speaker
Evans	Lehr	Saurman	

NOT VOTING—7

Coslett	Hutchinson, W.	Mullen	Richardson
Earley	Levin	Pratt	

EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. CORDISCO offered the following amendments No. A437:

Amend Title, page 1, line 16, by inserting after "mortgages"; for the crediting of certain deposits

Amend Bill, page 3, by inserting between lines 14 and 15 Section 2. The act is amended by adding a section to read: Section 611. Crediting of Certain Deposits. All cash deposits made with any institution by a depositor shall be credited to the account of the depositor on the day the cash deposit is received by the institution.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Bucks, Mr. Cordisco.

Mr. CORDISCO. Mr. Speaker, I appreciate the great support from my fellow colleagues. I hope they carry that support when the amendment is voted upon.

All I would like to say, basically, about my amendment, Mr. Speaker, is that it enables consumers and businesses alike to take full advantage of their working capital. Basically, the deposits that are made on that day will be recorded as a deposit by that institution in which the deposit is received, I believe, so long as it is made in cash.

I do not believe this amendment to be very controversial in nature and I will not delay any further. I hope that the House sees fit to support my amendment. Thank you.



The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I rise in opposition to this amendment. Cash deposits are not a problem. It is the problem that Mr. Gannon cited with the Federal Reserve and the clearinghouse and so forth with checks.

The operational problem that I cited before with the drive-in bank in Punxsutawney whose operations have closed down at 3 o'clock in the afternoon are the problem because the bank cannot post that deposit until they open up Monday morning. I do not think we ought to create operational problems for the bank. Cash deposits are not a problem; they are posted immediately. I would ask for a "no" vote. We should not be putting this into the law.

The SPEAKER. The Chair recognizes the minority whip.

Mr. MANDERINO. Very briefly, Mr. Speaker, the gentleman is asking simply that when green cash and silver cash and copper cash is brought to the bank that it be credited to your account the same day it is brought to the bank in which you have your account. That should not be too difficult for the banks to do. Mr. Smith says there is no problem with cash; most of the banks do it anyway. Well, then let us require them to do it because obviously many of them are not doing it in the manner in which Mr. Cordisco asks in the amendment.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. I did not say there was no problem. I said operationally it is going to cost the banks more money if they have to keep a computer crew on duty through 10 o'clock in the evening on a Friday night when they do not open up until Monday morning.

The SPEAKER. The Chair recognizes the gentleman from Lancaster, Mr. Armstrong.

Mr. ARMSTRONG. Could I interrogate Mr. Cordisco for just one question?

The SPEAKER. The gentleman indicates that he will stand for interrogation. The gentleman, Mr. Armstrong, may proceed.

Mr. ARMSTRONG. What exactly do you want to accomplish with this bill? I mean, I cannot see the reasoning. Under the present system if you are there before 2 or 3 o'clock, whatever the bank says, your cash is immediately put into your account. I can see that you are worried about a check not clearing, but if you put your cash in there at 4:30 and you write a check today and hand it to someone, it cannot come back to your bank until tomorrow anyway. That next day the cash will hit the account and the check should not bounce, so it has to be credited the following morning. If it is cash, it will not take days for that to clear. I cannot really understand what the purpose of it is. The bookkeeping is what is going to mess things up.

Mr. CORDISCO. Mr. Speaker, I do not think it is a big inconvenience for the person taking his money down to that institution to ask the bank to stay over 15 minutes to deposit that money so that it would be able to be used for them.

Mr. ARMSTRONG. The problem is not the banks staying open 15 minutes. I did check with the banks. The bank is open

until probably 12 or 3 o'clock in the morning so they can clear all the checks, clear all the cash that has been deposited until 2 or 3 o'clock. If you go up to 8 or 9 o'clock and that bank stays open that late as a service to you and you go in there at 9 o'clock, a lot of people, then they are going to stay open even longer to handle all the checks and handle all the money, and I cannot see the advantage of this. There is no possible way that that check could bounce if you have cash in there that day and write a check against it, because it will take days for that check to clear and your cash will be deposited the next morning, so I just cannot see the validity of this amendment.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, it is with great pleasure that I rise to agree with the minority whip on a banking amendment. It does not happen very often. Savor it.

This amendment involves a cash deposit. Admittedly, the operational problems raised by the gentleman from Jefferson, Mr. Smith, exist. However, in this era of electronics, funds are transferred between branches, between banks, between one part of the world and another part of the world, and it would not seem impossible for the banks to reprogram their computers to handle the cash deposit situation, and cash deposits in currency should be credited that day, and usually people make those kinds of deposits because they do want that credit that day for a very good business reason. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon.

Mr. GANNON. Mr. Speaker, this amendment even is more troublesome than the prior amendment, and I will tell you why. If you would deposit a check in your account today drawn on, say, a bank in Erie, the bank would give you a provisional credit to your account. The bank would then transmit the check through banking channels to be cleared by the drawee bank. The drawee bank would then pay the check, and the money would be transmitted either through the Federal Reserve or directly to the drawer bank.

Now, this amendment says if you deposit cash, it is to be credited to your account immediately, but the problem that it does not address is what we call a split deposit, and a split deposit occurs when you go in with a check and the check may be for \$5 or \$6 or \$1,000—it might be your paycheck—and you tell the bank you want to deposit the check but you want to also take a little cash out of the check. So you may give the bank the check, put a \$900 deposit in the account, and then have \$100 cash returned to you by the teller. That is not listed as a deposit of a check to your account; it is listed as a deposit of cash.

Now, if this amendment were enacted, that cash, although the check has not cleared and you have technically deposited a check, on the bank's records it is going to be shown as a cash deposit, and you will be able to draw down on that immediately, and this just opens up an entirely new area of bank fraud. And once again, there is not going to be any insurance coverage for this type of loss, and the bank's customers are going to bear the loss, any loss that occurs as a result of any

fraud scheme that utilizes a split deposit. And, by the way, the use of a split deposit is a very popular way for a check-kiting scheme using multiple banks. You open up an account, put a small amount of money in there, take a big check, make a split deposit, and you get the cash and the bank is stuck with a bad check.

Now, under the existing Uniform Commercial Code, there is some protection to the bank for that. They can put a hold on your account if there is sufficient money in there, but the bank is at risk today on that type of a deposit and will be at a worse risk if this is enacted and also put the bank's customers at risk. Whereas, today, if the bank makes a business decision, they will not be covered by insurance for that type of loss, if this amendment is enacted into law; the bank is going to be required to honor any checks drawn on an account and they still will not be covered by any insurance. I urge a negative vote on the amendment, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Spitz.

Mr. SPITZ. Mr. Speaker, I rise I guess to speak in favor of the amendment. I think we are making a mountain out of a molehill. If it is the wish of this General Assembly that a cash deposit be credited on the day that it is received by your bank, then that should be the law. The fact that the banks have pretty sophisticated computer systems now and they may have to make some arrangements is something they can live with. They can correct the computer.

Mr. Gannon addresses the problem that it is the bank's option; that some banks now will accept what he is calling a split deposit but they do not have to, and if we enact this into law, they may retract from that. But the fact is that if you put money in your bank on a given day, even though they have to work overtime, it can be credited to the account. I think it is just a question of what we want to do, and I think we are making a big deal out of nothing.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon, for the second time.

Mr. GANNON. Mr. Speaker, Mr. Spitz, I think, kind of brought out an additional problem that is going to be encountered if this amendment is enacted into law. He said that today banks may accept a split deposit. I can guarantee you, if this is put into law, they will not accept a split deposit, and when you have somebody who has worked at the factory all week with his paycheck and he has got to buy the groceries for Friday night and his wife is waiting outside the bank so he can give her a couple of dollars to go shopping to feed the family and he goes into the bank and says, I want to deposit most of the check but I want \$50 cash to buy groceries, the bank is going to tell him, we are not accepting split deposits because we do not want to take the risk that this check may not clear, and if we give you a split deposit, this is going to be credited as cash to your account, so we are not going to give split deposits anymore. And I know there are hundreds of thousands of people who depend upon the split deposit every payday so that they can have a little cash in their pocket to buy groceries and to tide them over for the weekend until they can draw down paying their regular bills by check, and putting this into

law, I guarantee, is going to make banks not want to honor any split deposits whatsoever; some do today, but there will not be any split deposits if this amendment is voted upon favorably.

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. There is a counterargument to the previous speaker's argument. It is very simple. I walk into the bank today with \$500 cash and deposit that cash in the bank. They do not credit it to my account until tomorrow, and I write a check this afternoon. They would feel awful free to charge me \$10 for writing a bad check or having insufficient funds. I think this works both ways. If you walk in with cash, they ought to honor that cash as a deposit at that moment, and if they have a branch bank that operates beyond 2 or 3 o'clock, they can keep their computers open to credit that to your account right then and there and you will not have the problem. There are problems with people getting charged for not having sufficient funds, and those are cash deposits made on that day not credited until the following day. I think it is a two-way street, and I think that the time has come that we ought to say as a policy that when you deposit that cash, it is credited to your account that day and interest starts from that day, not a day or two later. Thank you.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

#### YEAS—101

Barber	Fee	McIntyre	Rybak
Belfanti	Freind	McMonagle	Seventy
Berson	Fryer	Maiale	Showers
Blaum	Gallagher	Manderino	Shupnik
Borski	Gamble	Michlovic	Spitz
Brown	George	Miscevich	Steighner
Caltagirone	Grabowski	Morris	Stewart
Cappabianca	Gray	Mrkonic	Stuban
Cawley	Greenfield	Mullen	Swaim
Civera	Gruitza	Murphy	Sweet
Clark	Haluska	O'Donnell	Taylor, F. E.
Cochran	Harper	Olasz	Tigue
Cohen	Hoefel	Oliver	Trello
Colafella	Horgos	Pendleton	Van Horne
Cole	Hutchinson, A.	Petrarca	Wachob
Cordisco	Irvic	Petrone	Wambach
Cowell	Itkin	Pievsky	Wargo
DeMedio	Kukovich	Pistella	Wass
DeWeese	Laughlin	Pratt	White
Dawida	Lescovitz	Pucciarelli	Wiggins
Deal	Letterman	Punt	Williams, H.
Dombrowski	Livengood	Rappaport	Williams, J. D.
Duffy	Lloyd	Richardson	Wozniak
Durham	Lucyk	Rieger	Wright, D. R.
Emerson	McCall	Ritter	Zwilk
Evans			

#### NAYS—96

Alden	Fischer	Levi	Saurman
Anderson	Fleck	Lewis	Serafini
Armstrong	Foster, W. W.	McClatchy	Sieminski
Arty	Foster, Jr., A.	Mackowski	Sirianni
Bclardi	Frazier	Madigan	Smith, B.
Beloff	Gallen	Manmiller	Smith, E. H.
Bittie	Gannon	Marmion	Smith, L. E.
Bowser	Geist	Merry	Snyder
Boyes	Gladeck	Micozzie	Spencer
Brandt	Greenwood	Miller	Stairs

Burd	Grieco	Moehlmann	Stevens
Burns	Gruppo	Mowery	Swift
Cessar	Hagarty	Nahill	Taddonio
Cimini	Hasay	Noye	Taylor, E. Z.
Clymer	Hayes	Perzel	Telek
Cornell	Heiser	Peterson	Vroon
Coslett	Honaman	Phillips	Wenger
Cunningham	Hutchinson, W.	Piccola	Weston
DeVerter	Jackson	Pitts	Wilson
Daikeler	Johnson	Pott	Wogan
Davies	Kanuck	Rasco	Wright, J. L.
Dietz	Kennedy	Reber	
Dininni	Klingaman	Rocks	Ryan,
Donatucci	Lashingner	Salvatore	Speaker
Dorr	Lehr		

NOT VOTING—3

Earley	Kowalyszyn	Levin
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EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the affirmative, and the amendments were agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. A. K. HUTCHINSON offered the following amendments No. A483:

Amend Bill, page 3, by inserting between lines 14 and 15 Section 2. The act is amended by adding sections to read:

Section 310.1. Disclosure

An applicant for a mortgage loan for financing the purchase of a one or two family residential property must be given, at the time the applicant requests an application, written information which shows the highest possible monthly payment during the mortgage term. Section 505.1. Disclosure

An applicant for a mortgage loan for financing the purchase of a one or two family residential property must be given, at the time the applicant requests an application, written information which shows the highest possible monthly payment during the mortgage term.

Amend Sec. 2, page 3, line 15, by striking out "2." and inserting 3.

Amend Sec. 3, page 3, line 25, by striking out "3." and inserting 4.

Amend Sec. 4, page 3, line 30, by striking out "4." and inserting 5.

Amend Sec. 5, page 4, line 25, by striking out "5." and inserting 6.

On the question,  
Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Hutchinson.

Mr. A. K. HUTCHINSON. Mr. Speaker, I think this is an agreed-to amendment by Mr. Smith. Did you agree to this, Mr. Smith?

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. In answer to my good friend, Amos, this is a difficult amendment for me to speak against, but I want to warn the members of the House who have been voting for consumer protection that by putting this into the law, you may very well weaken the disclosure requirements that are

going to be imposed on national banks and will ultimately be imposed on state-chartered banks. I have read those and they are very, very strict, and these that we are adopting here with Amos' amendment are very liberal compared to the Federal regulations. I just want to warn you against that, but I cannot really speak against them.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—121

Barber	Fee	Lloyd	Ritter
Belfanti	Fleck	Lucyk	Rybak
Beloff	Fryer	McCall	Seventy
Berson	Gallagher	McMonagle	Showers
Blaum	Gambie	Maiale	Shupnik
Borski	Gannon	Manderino	Spitz
Bowser	Geist	Michlovic	Stairs
Brown	George	Miscevich	Steighner
Burns	Grabowski	Morris	Stewart
Caltagirone	Gray	Mrkonic	Suban
Cappabianca	Greenwood	Mullen	Swaim
Cawley	Grieco	Murphy	Sweet
Cimini	Gruitza	O'Donnell	Taddonio
Clark	Haluska	Olasz	Taylor, F. E.
Cochran	Harper	Oliver	Telek
Cohen	Hoefel	Pendleton	Tigue
Colafella	Horgos	Peterson	Trello
Cole	Hutchinson, A.	Petrarca	Van Horne
Cordisco	Irvis	Petrone	Wachob
Cowell	Irkin	Phillips	Wambach
Cunningham	Klingaman	Pievsky	Wargo
DeMedio	Kowalyszyn	Pistella	Wass
DeWeese	Kukovich	Pitts	White
Davies	Laughlin	Pratt	Wiggins
Dawida	Lehr	Pucciarelli	Williams, H.
Deal	Lescovitz	Punt	Williams, J. D.
Dombrowski	Letterman	Rappaport	Wilson
Donatucci	Levi	Reber	Wozniak
Duffy	Levin	Richardson	Wright, D. R.
Emerson	Livengood	Rieger	Zwikl
Evans			

NAYS—74

Alden	Durham	Lashingner	Saurman
Anderson	Fischer	Lewis	Serafini
Armstrong	Foster, W. W.	McClatchy	Sieminski
Arty	Foster, Jr., A.	Mackowski	Sirianni
Belardi	Frazier	Madigan	Smith, B.
Bittle	Freind	Manmiller	Smith, E. H.
Boyes	Gallen	Marmion	Smith, L. E.
Brandt	Gladeck	Merry	Snyder
Burd	Gruppo	Micozzie	Spencer
Cessar	Hagarty	Miller	Swift
Civera	Hasay	Moehlmann	Taylor, E. Z.
Clymer	Hayes	Mowery	Vroon
Cornell	Heiser	Noye	Wenger
Coslett	Honaman	Perzel	Weston
DeVerter	Hutchinson, W.	Piccola	Wogan
Daikeler	Jackson	Pott	Wright, J. L.
Dietz	Johnson	Rasco	
Dininni	Kanuck	Rocks	Ryan,
Dorr	Kennedy	Salvatore	Speaker

NOT VOTING—5

Earley	McIntyre	Nahill	Stevens
Greenfield			

EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the affirmative, and the amendments were agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. WAMBACH offered the following amendment No. A461:

Amend Sec. 1 (Sec. 310), page 2, line 22, by striking out "MORTGAGEE" and inserting mortgagor

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Dauphin, Mr. Wambach.

Mr. WAMBACH. The purpose of this amendment, Mr. Speaker, will rectify the problem that occurred with the Alden amendment and will further clarify to the Reference Bureau that our intent with the Alden amendment was to in fact give the mortgagor the written commitment, and this simply changes the word "mortgagee" in the amendment to "mortgagor." I feel it is a substantive amendment, not an editorial amendment as the Speaker has declared, and I would appreciate a "yes" vote on the amendment. Thank you.

AMENDMENT WITHDRAWN TEMPORARILY

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. I would like to ask for a time-out here. This amendment was not on the list and it is not circulated. I have not seen it.

The SPEAKER. Without objection, will Mr. Wambach withdraw this amendment temporarily?

Mr. WAMBACH. Temporarily, Mr. Speaker.

The SPEAKER. The clerk will strike the board.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Fleck. Does the gentleman have amendments?

Mr. FLECK. No, sir, I do not. On the Hutchinson amendment 483, I was recorded in the affirmative. I wish to be recorded in the negative.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

CONSIDERATION OF HB 103 CONTINUED

The SPEAKER. Will the gentleman from Jefferson, Mr. Smith, indicate to the Chair whether or not the amendments of Mr. Wambach's have been circulated?

Mr. L. E. SMITH. I still have not seen it. I do not have a copy.

The SPEAKER. Are there any other amendments to this bill?

Is the gentleman from Delaware, Mr. Alden, looking for recognition?

Mr. ALDEN. Yes, Mr. Speaker.

The SPEAKER. For what purpose does the gentleman rise?

Mr. ALDEN. On the amendment, I have seen the amendment and it merely changes "mortgagee" to "mortgagor." The Legislative Reference Bureau, when they sent the bill down, had inadvertently changed it to "mortgagee," so I would support that amendment, just to clarify.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. WAMBACH offered the following amendment No. A461:

Amend Sec. 1 (Sec. 310), page 2, line 22, by striking out "MORTGAGEE" and inserting mortgagor

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman from Dauphin, Mr. Wambach.

Mr. WAMBACH. What the amendment does—and it is simply a one-word amendment—is change in section 1, page 2, line 22, the word "mortgagee" and replaces it with "mortgagor." This is simply a clarifying amendment on the Alden amendment that was passed last week, a topic that has been brought up many times on the floor of the House as far as clarification is concerned. This simply clarifies that issue. Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—197

Alden	Evans	Livengood	Salvatore
Anderson	Fee	Lloyd	Saurman
Armstrong	Fischer	Lucyk	Serafini
Arty	Fleck	McCall	Seventy
Barber	Foster, W. W.	McClatchy	Showers
Belardi	Foster, Jr., A.	McMonagle	Shupnik
Belfanti	Frazier	Mackowski	Sieminski
Beloff	Freind	Madigan	Sirianni
Berson	Fryer	Maiale	Smith, B.
Bittle	Gallagher	Manderino	Smith, E. H.
Blaum	Gallen	Manmiller	Smith, L. E.
Borski	Gamble	Marmion	Snyder
Bowser	Gannon	Merry	Spencer
Boyes	Geist	Michlovic	Spitz
Brandt	George	Micozzie	Stairs
Brown	Gladeck	Miller	Steighner
Burd	Grabowski	Miscevich	Stevens
Burns	Gray	Moehlmann	Stewart
Caltagirone	Greenfield	Morris	Suban
Cappabianca	Greenwood	Mowery	Swaim
Cawley	Grieco	Mrkonic	Sweet
Cessar	Gruitza	Mullen	Swift
Cimini	Gruppo	Murphy	Taddonio
Civiera	Hagarty	Nahill	Taylor, E. Z.
Clark	Haluska	Noye	Taylor, F. E.
Clymer	Harper	O'Donnell	Telek
Cochran	Hasay	Olasz	Tigue
Cohen	Hayes	Oliver	Trello
Colafella	Heiser	Pendleton	Van Horne
Cole	Hoeffel	Perzel	Vroon
Cordisco	Honaman	Peterson	Wachob

Cornell	Horgos	Petrarca	Wambach
Coslett	Hutchinson, A.	Petrone	Wargo
Cowell	Hutchinson, W.	Phillips	Wass
Cunningham	Irvis	Piccola	Wenger
DeMedio	Itkin	Pievsky	Weston
DeVerter	Jackson	Pistella	White
DeWeese	Johnson	Pitts	Wiggins
Daikeler	Kennedy	Pott	Williams, H.
Davies	Klingaman	Pratt	Williams, J. D.
Dawida	Kowalshyn	Pucciarelli	Wilson
Deal	Kukovich	Punt	Wogan
Dietz	Lashingner	Rappaport	Wozniak
Dininni	Laughlin	Rasco	Wright, D. R.
Dombrowski	Lehr	Reber	Wright, J. L.
Donatucci	Lescovitz	Richardson	Zwinkl
Dorr	Letterman	Rieger	
Duffy	Levi	Ritter	Ryan,
Durham	Levin	Rocks	Speaker
Emerson	Lewis	Rybak	

NAYS—0

NOT VOTING—3

Earley            Kanuck            McIntyre

EXCUSED—3

Kolter            McVerry            Wilt

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. Mr. Speaker, this is a very complex bill, and we have put quite a few amendments in it. I would like to see this bill in print before final consideration.

The SPEAKER. The Chair recognizes the majority leader.

Mr. HAYES. Mr. Speaker, the gentleman knows full well that the members of this House of Representatives have read this bill again and again to include the amendments, and I believe the House is prepared to vote finally on this legislation. Thank you.

Mr. TAYLOR. I do not want to get into a long dissertation with the majority leader, but I am very fearful that no one in here has really read the Federal regulations—maybe one person has a copy of them—that were promulgated the other evening and signed into law, coming into law next Friday, I guess. I think we ought to have time to look at that. If we had this bill reprinted, maybe by next week we could get a copy of those Federal regulations and we could sit down and read them and see what is going on. That is all. You know, maybe we could do it a little intelligently this time.

The SPEAKER. On the question recurring, shall the bill pass finally? Agreeable to the provisions of the Constitution, the yeas and nays

Mr. TAYLOR. Mr. Speaker, are we on final passage?

The SPEAKER. We are indeed.

The Chair recognizes the gentleman.

Mr. TAYLOR. I rise in opposition to final passage. Certainly we have had the opportunity to amend this bill. Some of the amendments some people understood and some they have not. I am not completely satisfied with the cap language. I think that that is going to be open to broad interpretation. I stood on this House floor 2 weeks ago and said to you members that one of my fears in HB 103 was if the Federal Comptroller of the Currency would take and adopt a 1-percent interest increase per year, the payback on a \$60,000 mortgage would be astronomical. The Federal Comptroller of the Currency has seen fit to now come out with regulations that in effect, in all probability, the Secretary of Banking will put into regulations over there, as he did with the Savings and Loan Code. He almost did it word-for-word. If that happens, we have not addressed the problem of adjustable-rate mortgages. We have addressed the problem in putting a cap on renegotiables.

We are not sure how broad the interpretation is going to be. The Secretary of Banking may just write new regulations addressing the adjustable-rate mortgage. If that be the case, let me tell you here today what can happen. That will mean in effect that the interest rate could go up 1 percent every 6 months for a maximum of 2 percent a year, based on several indexes that may be used in this country, and it is not for sure which index they are talking about. He is giving them a choice of index to use. We have not addressed the complete index problem in this particular legislation as to where we in the state would like to see that indexed from, either the average cost of money or the average cost of mortgages. There is some indication it may apply to the average cost of mortgages. We are not assured of that. If we are going to pass this legislation, we ought to have that assurance. I can see a 2-percent increase on a \$60,000 mortgage. One percent represented 400-and-some thousand dollars, and it does not take a mathematical genius to figure out that if it is a 2-percent increase over the life of the mortgage, that is 60 points; add that onto a base of 15, the average cost of money today, and you are talking about a mortgage with a 75-percent increase. That conceivably could cost consumers in this state anywhere in excess of \$400,000 to \$800,000 for a \$60,000 mortgage.

If you want to do these kinds of things, hurry this bill through and pass it today. Do not do the other things. I am against this bill and I ask for a negative vote.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I am quite confused by the statement made by the minority chairman of the Business and Commerce Committee. There is not one thing this House can gain by reading the Federal regulations that apply to national banks. As I said before, that is a fact of life. We cannot change that. We have dealt for 3 days with all of the problems that might come out of renegotiable or adjustable-rate mortgages and some other things, including cash deposits on the day they are made, and this House has expressed itself on what I consider to be every possible aspect of adjustable-rate

mortgages, and I see no reason to further delay this bill. We should pass it now.

The SPEAKER. The Chair recognizes the gentleman, Mr. Taylor.

Mr. TAYLOR. My response to the gentleman is that the bulk of the amendments that went into HB 103 address again, and I say again and again, renegotiables. They do not address the question of adjustable-rate mortgages, and there is a distinct difference, and that has not been addressed in this legislation. Now, if we keep persisting in this, the end result is going to be just what I said previous to this. You can conceivably have a rate of increase of interest in this Commonwealth from the base of 15 upwards to 75 percent over the 30-year mortgage. The problem is, as I said earlier today, a renegotiable instrument is a short-term loan secured by a long-term mortgage. An adjustable-rate mortgage is a long-term loan secured by a long-term mortgage. That is the distinct difference. There is a difference in those two animals, and it just depends on how we want to address that, and if we do not address it properly, we can expose ourselves to just what I am telling you now, the possibility of adding on 2 percentage points a year. If we want to sit here and do that, go right ahead. I am not going to, not until I address the whole issue in this problem. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, the mortgage interest rates in the State of Pennsylvania that have been argued over the past 3 weeks go back to 1933 when the Homeowners Loan Act was passed that provided mortgage money for homeownership throughout this nation. The State of Pennsylvania immediately embarked upon a plan of homeownership by building and loans and banking institutions that brought about an increase of some 30 to 40 percent in homeownership in this state. We went from a 20-percent homeownership in 1933 to approximately 60- today, and the reason that happened was the availability of money at a reasonable rate that people could borrow. The American dream, as it was stated at that time, was to own your own home. Today, with the Federal regulations and with the law that you intend to pass today, could well turn that dream into a nightmare. Down the road the available funds that have been there in the past are there today. The people cannot afford to borrow at the interest rates of today or a future interest rate that will escalate because of the renegotiable nature of this particular instrument that you are granting today.

The fact that banking institutions are to be competitive was the sole reason that we were considering this legislation, stating that parity was the desire of many members from the other side of the aisle and requesting in fact that state institutions have the same right as Federal institutions. Mr. Speaker, since when has competition brought about higher prices rather than lower prices to the consumer? It would seem that with this legislation we bring state banks to a level of a higher interest rate in line with Federal banking. Our people in the state would have had the availability, and do have the availability presently, of an advantage of going to a state-owned

bank, a staterecognized and -regulated bank, and getting a decent rate on a mortgage. If we are to allow the Federal institutions to erode the state banking laws of this state, then I ask you, why were you elected to this House of Representatives? Are we merely to fall in line as sheep behind the Federal regulators, to bring about higher interest rates for the convenience of the banking interests?

Mr. Speaker, I have heard this week and for the past 2 weeks the request to allow the Banking Secretary to make rules and regulations that should be based in foundation in law, passed in this House and in the Senate and signed by the Governor. Instead, we are transferring the authority that the people of this state have given to you and to the other members of this legislature, and we are giving that authority to the administration by way of the Banking Secretary. I have only to remind you of the recent episode with special education in this state as to what has happened with giving secretaries of the administration the right to extend their authority and make the laws of this state instead of relying on the direction of this legislature.

Mr. Speaker, the Governor of this state spoke very loud and very hard to those who would raise the price of education in this state by way of chastising the Pennsylvania State Education Association and their lobbyists recently. However, I do not see the Governor speaking or the Governor's leadership coming forth to lead the rights and the benefits of this state and its people. I see him doing nothing and allowing legislation to be passed and signing into law legislation and law that will cost the people of this state far more than any legislation change that was proposed by the PSEA or any other lobbying group.

What we see here is cost being piled upon cost on interest rates for homeownership, and what happens when you deny the average citizen the right to use his consumer money for purposes of purchases other than a home? When you raise the interest rates, you deny him usable income, which results in fewer purchases of large ticket items such as automobiles, appliances, and other consumer goods. The end result of that is, with the reduction in the production of automobiles, with the reduction of the steel that is involved in the making of those automobiles, we end up with unemployment rising in the State of Pennsylvania. We end up with welfare rolls expanding. When you pass this legislation today, if you do—and I certainly hope you do not—I ask you to consider this: Today, if you get a 14-percent interest rate on a home, you are going to pay on a \$60,000 mortgage \$195,000 in interest over a 30-year life. If you allow the increase to escalate as is proposed, with nearly 3 percent over 3 years, you are talking about \$413,000 in interest payments over that life. I can assure you that is going to diminish the ability of the people of this state in their purchasing power. I can assure you it is going to reduce purchasing of consumer goods. It is going to increase unemployment and it is going to bring about an increase in the welfare rolls. These are the things that we have tried to bring to the attention of the members of this House.

I would like to quote to you a very brief statement that was made earlier this year. I want to ask you if you remember who the gentleman was who made it. The statement goes like this:

What's happened to that American dream of owning a home? Only ten years ago a family could buy a home and the monthly payment averaged little more than a quarter—27 cents out of each dollar earned. Today it is 42 cents out of every dollar of income. So, fewer than one out of eleven families can afford to buy their first new home.

All of us are aware of the punishing inflation which has, for the first time in some 60 years, held to double digit figures for two years in a row. Interest rates have reached absurd levels of more than 20 percent and over 15 percent for those who would borrow to buy a home. All across this land one can see newly-built homes standing vacant, unsold because of mortgage interest rates.

To my Republican colleagues, I offer the words of President Ronald Reagan. I hope you will consider the President's words far better than you did some of my colleagues' who offered amendments earlier and will vote this legislation down. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Lancaster, Mr. Armstrong.

Mr. ARMSTRONG. This bill boils down to one thing: Is there anyone in here who will lend money for 30 years at 14 percent? If you want to lend money at 14 percent, I am sure there are a lot of people out there who would take it for 30 years right now. If you are not going to do it, why would you expect the banks to do it? They need some kind of protection, and they are not out there to lose money. Five years ago a 9-percent rate seemed reasonable. Well, now we are seeing 14 and 15 percent. You cannot expect them to make a 25- or 30-year commitment with no protection, and that is exactly what you are asking them to do. You are saying, tie your money up for 30 years at 14 percent and forget about inflation. They are not in the business to lose money. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Montgomery, Mr. Saurman.

Mr. SAURMAN. Mr. Speaker, a short time ago a woman went into the supermarket to buy some steak. She asked the butcher how much it cost, and he said, it is \$2.39. She said, why, right down the street it is only \$1.89, and he said, why do you not go down the street and buy it? And she said, they are out of it. He said, well, when we are out of it, it is only \$1.59. I think that perhaps there is an analogy here to what we are speaking about. If we are to protect the consumer, we had better make that money available so that mortgages can be gotten. Thank you.

On the question recurring,  
Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

YEAS—133

Alden	Fischer	Livengood	Rocks
Anderson	Fleck	McCall	Rybak
Armstrong	Foster, W. W.	McClatchy	Salvatore
Arty	Foster, Jr., A.	Mackowski	Saurman
Belardi	Frazier	Madigan	Serafini
Beloff	Freind	Maiale	Showers
Bittle	Fryer	Manmiller	Sieminski
Blaum	Gallen	Marmion	Sirianni
Bowser	Gamble	Merry	Smith, B.
Boyes	Gannon	Micozzic	Smith, E. H.

Brandt	Geist	Miller	Smith, L. E.
Burd	Gladeck	Moehlmann	Snyder
Burns	Greenwood	Morris	Spencer
Caltagirone	Grieco	Mowery	Spitz
Cappabianca	Gruitza	Mrkonic	Stairs
Cessar	Gruppo	Mullen	Stevens
Cimini	Hagarty	Murphy	Swaim
Civera	Hayes	Nahill	Sweet
Clymer	Heiser	Noye	Swift
Cole	Hoeffel	O'Donnell	Taylor, E. Z.
Cornell	Honaman	Pendleton	Telek
Coslett	Horgos	Perzel	Vroon
Cowell	Hutchinson, A.	Peterson	Wenger
Cunningham	Hutchinson, W.	Petrarca	Weston
DeVerter	Jackson	Phillips	Williams, J. D.
Daikeler	Johnson	Piccola	Wilson
Davies	Kennedy	Pitts	Wogan
Dietz	Klingaman	Pott	Wright, D. R.
Dinimi	Kowalshyn	Punt	Wright, J. L.
Dombrowski	Lashingier	Rappaport	Zwilk
Donatucci	Lehr	Rasco	
Dorr	Levi	Reber	Ryan,
Durham	Levin	Richardson	Speaker
Evans	Lewis	Ritter	

NAYS—63

Barber	Fee	Lloyd	Shupnik
Belfanti	Gallagher	Lucyk	Steighner
Borski	George	McIntyre	Stewart
Brown	Grabowski	McMonagle	Stuban
Cawley	Gray	Manderino	Taddonio
Clark	Greenfield	Michlovic	Taylor, F. E.
Cochran	Haluska	Miscevich	Van Horne
Cohen	Harper	Olasz	Wachob
Colafella	Hasay	Oliver	Wambach
Cordisco	Irvis	Petrone	Wargo
DeMedio	Itkin	Pievsky	Wass
DeWeese	Kanuck	Pistella	White
Dawida	Kukovich	Pratt	Wiggins
Deal	Laughlin	Pucciarelli	Williams, H.
Duffy	Lescovitz	Rieger	Wozniak
Emerson	Letterman	Seventy	

NOT VOTING—4

Berson	Earley	Tigue	Trello
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EXCUSED—3

Kolter	McVerry	Wilt
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The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative.

Ordered, That the clerk present the same to the Senate for concurrence.

\* \* \*

Agreeable to order,

The bill having been called up from the postponed calendar by Mr. L. E. SMITH, the House resumed third consideration of **HB 104, PN 105**, entitled:

An Act amending the "Savings Association Code of 1967," approved December 14, 1967 (P. L. 746, No. 345), further providing for elimination of the Savings Association Board.

On the question recurring,

Will the House agree to the bill on third consideration?

Mr. BELFANTI offered the following amendments No. A255:

Amend Title, page 1, line 17, by inserting after "for" directors and

Amend Sec. 1, page 1, line 21, by striking out "Clause" and inserting Section 502 and clause

Amend Sec. 1, page 1, line 23, by striking out "is" and inserting are

Amend Bill, page 1, by inserting between lines 23 and 24 Section 502. Number and Qualifications of Directors.—(a) The bylaws shall fix the number of directors at not less than five. (b) Each director shall be a citizen of the United States and at least two-thirds of the directors shall be residents of Pennsylvania. (c) No director shall serve simultaneously as the director of any bank.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Northumberland, Mr. Belfanti.

Mr. BELFANTI. Mr. Speaker, this amendment simply asks that no director of a savings and loan or a bank serve on two boards simultaneously. This is currently a Federal regulation now, and since these banks and savings and loans are asking for parity on laws that are now Federal, I ask that this amendment be adopted.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I rise to oppose this amendment. If this would be adopted, I see this as a particular problem in small towns with small savings and loan associations where knowledgeable, qualified people are not all that plentiful, and it seems to me that a bank director serving as a member of a board of a savings and loan association could add something to that board, and I would ask that we vote this amendment down.

The SPEAKER. The Chair recognizes the gentleman, Mr. Belfanti.

Mr. BELFANTI. I am from one such small town and I was asked by a Mom and Pop savings and loan to introduce this amendment to protect these small savings and loans from being taken over by larger institutions.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—99

Alden	Evans	Lucyk	Ritter
Armstrong	Fee	McCall	Rybak
Barber	Fryer	McIntyre	Seventy
Belfanti	Gallagher	McMonagle	Showers
Berson	Gamble	Michlovic	Shupnik
Blaum	George	Miller	Steighner
Borski	Grabowski	Miscevich	Stewart
Brown	Gray	Moehlmann	Stuban
Caltagirone	Greenfield	Morris	Swaim
Cappabianca	Gruitza	Mrkonc	Taylor, F. E.
Cawley	Haluska	Mullen	Telek
Clark	Harper	Murphy	Tigue
Cochran	Hoeffel	O'Donnell	Trello
Cohen	Horgos	Olasz	Van Horne
Colafrilla	Hutchinson, A.	Oliver	Wachob
Cole	Irvic	Pendleton	Wambach
Cordisico	Itkin	Petrarca	Wargo
Cowell	Kowalshyn	Petrone	White
DeMedio	Kukovich	Pievsky	Wiggins
DeWeese	Laughlin	Pistella	Williams, H.
Dawida	Lescovitz	Pratt	Williams, J. D.
Deal	Letterman	Pucciarelli	Wozniak

Dombrowski	Levin	Punt	Wright, D. R.
Duffy	Livengood	Richardson	Zwinkl
Emerson	Lloyd	Rieger	

NAYS—99

Anderson	Fleck	Levi	Serafini
Arty	Foster, W. W.	Lewis	Sieminski
Belardi	Foster, Jr., A.	McClatchy	Sirianni
Beloff	Frazier	Mackowski	Smith, B.
Bittle	Freind	Madigan	Smith, E. H.
Bowser	Gallen	Maiale	Smith, L. E.
Boyes	Gannon	Manmiller	Snyder
Brandt	Geist	Marmion	Spencer
Burd	Gladeck	Merry	Spitz
Burns	Greenwood	Micozzie	Stairs
Cessar	Grieco	Mowery	Stevens
Cimini	Gruppo	Nahill	Sweet
Civera	Hagarty	Noye	Swift
Clymer	Hasay	Perzel	Taddonio
Cornell	Hayes	Peterson	Taylor, E. Z.
Coslett	Heiser	Phillips	Vroon
Cunningham	Honaman	Piccola	Wass
DeVerter	Hutchinson, W.	Pitts	Wenger
Daikeler	Jackson	Pott	Weston
Davies	Johnson	Rappaport	Wilson
Dietz	Kanuck	Rasco	Wogan
Dininni	Kennedy	Reber	Wright, J. L.
Donatucci	Klingaman	Rocks	
Dorr	Lashinger	Salvatore	Ryan,
Durham	Lehr	Saurman	Speaker
Fischer			

NOT VOTING—2

Earley	Manderino
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EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and the amendments were not agreed to.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the minority whip. For what purpose does the gentleman rise?

Mr. MANDERINO. To get your attention before you announce the vote. My vote did not record on that, Mr. Speaker.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

Mr. MANDERINO. Mr. Speaker, do you want me to file a reconsideration motion or will you vote it over? You know, I cannot believe that you keep that board open as long as you do on some of the most insignificant amendments that come before this House.

STATEMENT BY MR. DeVERTER

The SPEAKER. The Chair recognizes the gentleman from Mifflin, Mr. DeVerter.

Mr. DeVERTER. Mr. Speaker, I guess unanimous consent is what I am after, sir.

The SPEAKER. I am sorry, sir?

Mr. DeVERTER. Unanimous consent?

I think, Mr. Speaker, the prior remarks indicate that the Speaker has been around here sufficiently long to ascertain when the board should be open and when it should not be,



and I commend him for having the astuteness to do that. Thank you.

**CONSIDERATION OF HB 104 CONTINUED**

On the question recurring,  
Will the House agree to the bill on third consideration?

Mr. GEORGE offered the following amendments No. A348:

Amend Title, page 1, line 17, by inserting after "acts," requiring the cashing of checks for senior citizens and

Amend Bill, page 2, by inserting between lines 7 and 8 Section 2. The act is amended by adding a section to read: Section 824. Cashing Checks for Senior Citizens.—An institution shall cash, without charge, any State or Federal Government check presented for payment by the payee of the check who is a senior citizen sixty-five years of age or older.

Amend Sec. 2, page 2, line 8, by striking out "2." and inserting 3.

Amend Sec. 3, page 2, line 9, by striking out "3." and inserting 4.

Amend Sec. 4, page 4, line 23, by striking out "4." and inserting 5.

On the question,  
Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Clearfield, Mr. George.

Mr. GEORGE. Mr. Speaker, we are about to offer an amendment completely similar to the one that was adopted by a majority of the members of this House that will allow senior citizens to have their checks cashed and not be charged. Thank you very much. It is the same one that we put in HB 103.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I oppose this amendment for the same reasons that I stated in HB 103 and ask for a negative vote.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Alden.

Mr. ALDEN. Mr. Speaker, would the maker of the amendment stand for brief interrogation?

The SPEAKER. The gentleman, Mr. George, indicates he will stand for interrogation. The gentleman, Mr. Alden, may proceed.

Mr. ALDEN. Mr. Speaker, is your amendment limited strictly to senior citizens, or does it include anybody?

Mr. GEORGE. No; it says 65 years and over, and I would imagine that is what a senior citizen is.

Mr. ALDEN. Okay.

Mr. GEORGE. My wife says that I am a senior citizen; I am only 52.

Mr. ALDEN. I do not know if I believe that.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

**YEAS—135**

Alden	Emerson	Levin	Salvatore
Armstrong	Evans	Livengood	Serafini
Barber	Fee	Lloyd	Seventy
Belardi	Fischer	Lucyk	Showers
Belfanti	Fryer	McCall	Shupnik
Berson	Gallagher	McIntyre	Steighner
Bittle	Gamble	McMonagle	Stevens
Blaum	George	Maiale	Stewart
Borski	Grabowski	Manderino	Stuban
Bowser	Gray	Michlovic	Swaim
Brown	Greenfield	Micozzie	Sweet
Burns	Greenwood	Miller	Swift
Caltagirone	Grieco	Miscevich	Taylor, E. Z.
Cappabianca	Gruitza	Morris	Taylor, F. E.
Cawley	Gruppo	Mrkonic	Telek
Cimini	Haluska	Mullen	Tigue
Civera	Harper	Murphy	Trello
Clark	Hasay	O'Donnell	Van Horne
Clymer	Hoeffel	Olasz	Wachob
Cochran	Horgos	Oliver	Wambach
Cohen	Hutchinson, A.	Pendleton	Wargo
Colafella	Hutchinson, W.	Petrarca	Wass
Cordisco	Irvis	Petrone	Weston
Coslett	Itkin	Phillips	White
Cowell	Jackson	Pievsky	Wiggins
DeMedio	Kanuck	Pistella	Williams, H.
DeWeese	Klingaman	Pratt	Williams, J. D.
Davies	Kowalshyn	Pucciarelli	Wilson
Dawida	Kukovich	Rappaport	Wogan
Deal	Laughlin	Reber	Wozniak
Dietz	Lehr	Richardson	Wright, D. R.
Dombrowski	Lescovitz	Ritter	Wright, J. L.
Donatucci	Letterman	Rocks	Zwilk
Duffy	Levi	Rybak	

**NAYS—62**

Anderson	Foster, Jr., A.	Mackowski	Saurman
Arty	Frazier	Madigan	Sieminski
Beloff	Freind	Manmiller	Sirianni
Boyes	Gallen	Marmion	Smith, B.
Brandt	Gannon	Merry	Smith, E. H.
Burd	Geist	Moehlmann	Smith, L. E.
Cessar	Gladeck	Mowery	Snyder
Cornell	Hagarty	Nahill	Spencer
Cunningham	Hayes	Noye	Spitz
DeVerter	Heiser	Perzel	Stairs
Daikeler	Honaman	Peterson	Taddonio
Dininni	Johnson	Piccola	Vroon
Dorr	Kennedy	Pitts	Wenger
Durham	Lashingier	Pott	
Fleck	Lewis	Punt	Ryan,
Foster, W. W.	McClatchy	Rasco	Speaker

**NOT VOTING—3**

Cole	Earley	Rieger
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**EXCUSED—3**

Kolter	McVerry	Wilt
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The question was determined in the affirmative, and the amendments were agreed to.

**AMENDMENT WITHDRAWN**

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen.

Mr. COHEN. Mr. Speaker, in view of the fact that all of these amendments were presented to HB 103 and were defeated, I am withdrawing all these amendments.

The SPEAKER. The Chair thanks the gentleman.

**QUESTION OF PERSONAL PRIVILEGE**

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Davies. For what purpose does the gentleman rise?

Mr. DAVIES. I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. DAVIES. Last week one of the members inferred about the degree of my faith on a charge of, O ye of little faith. Just a few minutes ago, Mr. Laughlin charged that I am to be led around like sheep. As one of the other 133 sheep, I would like to reply to Mr. Laughlin that it would have to be baa baa humbug.

**CONSIDERATION OF HB 104 CONTINUED**

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin. It is the Chair's understanding that Mr. Laughlin has withdrawn amendment A143. Is that accurate?

Mr. LAUGHLIN. Mr. Speaker, there seems to be some confusion. The amendment that I have to offer is A265.

The SPEAKER. I have that on the list, Mr. Laughlin. Do you have an amendment A143?

Mr. LAUGHLIN. No, Mr. Speaker. That was an old amendment that was withdrawn some time ago. There must have been some confusion on putting together your calendar

**AMENDMENTS WITHDRAWN**

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. Mr. Speaker, I am going to withdraw amendment No. 153.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pistella.

It is the Chair's understanding that the gentleman will offer amendment A162.

Mr. PISTELLA. Mr. Speaker, I withdraw amendment A162.

On the question,

Will the House agree to the bill on third consideration as amended?

Mr. LAUGHLIN offered the following amendments No. A265:

Amend Title, page 1, line 18, by removing the period after "Board" and inserting and further providing for certain residential mortgages.

Amend Bill, page 2, by inserting between lines 7 and 8

Section 2. The introductory paragraph of section 915 of the act, is amended and clauses are added to read:

Section 915. Terms of Mortgage.—Mortgages other than those set forth in subsections (c), (d), (e), [and] (f) and (k) of this section shall be written on such basis and in such aggregate amounts as the department may by regulation authorize or on a monthly direct reduction loan basis and the contract shall provide that the first monthly payment shall be made not later than sixty days after the advance of the loan, provided however:

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(k) A mortgage for financing the purchase of a one to four family residential property shall require substantially equal payments at successive intervals of not more than one year each

and in an amount sufficient to pay all principal of and interest on the loan within the term of the loan except as specifically provided in this section.

(l) (1) An association may make, purchase or participate in a renegotiable rate mortgage loan under this section if the loan pertains to one to four family home loans.

(2) For purposes of this section, a renegotiable rate mortgage loan is a loan issued for a term of three, four or five years, secured by a long-term mortgage of up to thirty years, and automatically renewable at equal intervals except as provided herein and in regulations promulgated by the department to carry out the purposes of this section. The loan must be repayable in equal monthly installments of principal and interest during the loan term, in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining term of the mortgage. At renewal, no change other than in the interest rate may be made in the terms or conditions of the initial loan. Prepayment in full or in part of the loan balance secured by the mortgage may be made without penalty at any time.

(3) The interest rate reference index shall be the contract interest rate on the purchase of previously-occupied homes in the Federal Home Loan Bank Board most recent monthly National average mortgage rate index for all major lenders.

(4) The borrower may not be charged any costs or fees in connection with the renewal of such loan.

(5) The initial or base value of the reference index shall be committed to the borrower at the same time that the initial contract interest rate is committed to the borrower and shall be entered in the loan documents as a contractual provision of the loan.

(6) An applicant for a renegotiable rate mortgage loan must be given, at the time the applicant requests an application, written materials which contain such information as the department shall require including a "worst case" schedule for the renegotiable rate mortgage which shows the highest possible monthly payment during the mortgage term, the contract rate of interest and the initial or base value of the reference index to be utilized as a base in determining interest rate increases and decreases.

Amend Sec. 2, page 2, line 8, by striking out "2" and inserting 3

Amend Sec. 3, page 2, line 9, by striking out "3" and inserting 4

Amend Sec. 4, page 4, line 23, by striking out "4" and inserting 5

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, in order to shorten the session today—I believe that is Mr. Smith's intent—the arguments that I have presented previously on HB 103, many of which, by the way, were adopted as amendments later on when they were offered individually, are being offered today to HB 104. It includes declarative language; it includes consideration for balloon mortgages; it also has included in it demand mortgages and other areas. Mr. Speaker, I would hope today that you would support the amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I rise to oppose this amendment. I have stated this so many times I am sure you people are tired of it, and I am, too. We should not be putting regulations into the law. Now, we are in a little different ball

game here right now in HB 104 than we were in HB 103, because now we are dealing with state-chartered savings and loan associations, and we are trying to keep them at parity with the Federal. I would hope that the members would continue to resist putting regulations into the law, and I am quite sure that Mr. Taylor is going to offer an oversight amendment similar to what went into HB 103. We will have the final say, and I would ask for a "no" vote on this amendment.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—80

Barber	Evans	Lloyd	Ritter
Belfanti	Fee	Lucyk	Rybak
Berson	Gallagher	McCall	Seventy
Blaum	Gamble	McMonagle	Shupnik
Borski	Grabowski	Manderino	Stewart
Brown	Gray	Michlovic	Stuban
Caltagirone	Greenfield	Miscevich	Swaim
Clark	Gruitza	Mrkonic	Taylor, F. E.
Cochran	Haluska	Mullen	Tigue
Cohen	Harper	Murphy	Trello
Colafella	Hoeffel	O'Donnell	Van Horne
Cole	Horgos	Olasz	Wachob
Cordisco	Hutchinson, A.	Oliver	Wambach
Cowell	Irvic	Petrarca	Wargo
DeMedio	Itkin	Petrone	White
DeWeese	Kowalshyn	Pievsky	Wiggins
Dawida	Kukovich	Pistella	Williams, J. D.
Deal	Laughlin	Pucciarelli	Wozniak
Duffy	Lescovitz	Richardson	Wright, D. R.
Emerson	Levin	Rieger	Zwilk

NAYS—116

Alden	Fischer	Lewis	Saurman
Anderson	Fleck	Livengood	Serafini
Armstrong	Foster, W. W.	McClatchy	Showers
Arty	Foster, Jr., A.	Mackowski	Sieminski
Belardi	Frazier	Madigan	Sirianni
Beloff	Freind	Maiale	Smith, B.
Bittle	Fryer	Manmiller	Smith, E. H.
Bowser	Gallen	Marmion	Smith, L. E.
Boyes	Gannon	Merry	Snyder
Brandt	Geist	Micozzie	Spencer
Burd	George	Miller	Spitz
Burns	Giadeck	Mochlmann	Stairs
Cappabianca	Greenwood	Morris	Steighner
Cawley	Grieco	Nahill	Stevens
Cessar	Gruppo	Noye	Sweet
Cimini	Hagarty	Pendleton	Swift
Civera	Hasay	Perzel	Taddonio
Clymer	Hayes	Peterson	Taylor, E. Z.
Cornell	Heiser	Phillips	Telek
Coslett	Honaman	Piccola	Vroon
Cunningham	Hutchinson, W.	Pitts	Wass
DeVerter	Jackson	Pott	Wenger
Daikeler	Johnson	Pratt	Weston
Davies	Kanuck	Punt	Wilson
Dietz	Kennedy	Rappaport	Wogan
Dininni	Klingaman	Rasco	Wright, J. L.
Dombrowski	Lashingner	Reber	
Donatucci	Lehr	Rocks	Ryan,
Dorr	Letterman	Salvatore	Speaker
Durham	Levi		

NOT VOTING—4

Earley	McIntyre	Mowery	Williams, H.
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EXCUSED—3

Kolter                      McVerry                      Wilt

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. TAYLOR offered the following amendments No. A266:

Amend Title, page 1, line 18, by removing the period after "Board" and inserting and further providing for certain residential mortgages.

Amend Bill, page 2, by inserting between lines 7 and 8 Section 2. Section 915 of the act, is amended by adding a clause to read:

Section 915. Terms of Mortgage.—Mortgages other than those set forth in subsections (c), (d), (e), and (f) of this section shall be written on such basis and in such aggregate amounts as the department may by regulation authorize or on a monthly direct reduction loan basis and the contract shall provide that the first monthly payment shall be made not later than sixty days after the advance of the loan, provided however:

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(k) A copy of every rule or regulation or amendment to a rule or regulation relating to mortgages for financing the purchase of a one to four family residential property proposed by the department in order to implement any provision of this section shall be submitted to the Secretary of the Senate and the Chief Clerk of the House of Representatives who shall cause the rules or regulations to be printed and distributed among all members of both chambers in the same manner as a reorganization plan. If either body fails to act within sixty days of receipt of such rules or regulations, or within fifteen legislative days after receipt, whichever shall last occur, rules or regulations adopted by the department shall be promulgated pursuant to the provisions of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law and 45 Pa.C.S. Part II (relating to publication and effectiveness of Commonwealth documents). If both chambers disapprove any rule or regulation, such information shall be certified by the Speaker of the House of Representatives or President pro tempore of the Senate to the department and such rule or regulation shall not be promulgated as a final rule or regulation.

Amend Sec. 2, page 2, line 8, by striking out "2" and inserting 3

Amend Sec. 3, page 2, line 9, by striking out "3" and inserting 4

Amend Sec. 4, page 4, line 23, by striking out "4" and inserting 5

On the question,  
Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Fayette, Mr. Taylor.

Mr. TAYLOR. I believe this amendment is agreed to. This is the oversight legislation that went into HB 103 this morning and it effectively does the same thing in HB 104 as it did in HB 103, and I would ask for an affirmative vote. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. I have not changed my mind about opposing it and I am doing that for consistency purposes.

Mr. TAYLOR. But you said this morning you had difficulty.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—128

Allden	Evans	Levin	Rieger
Barber	Fee	Livengood	Ritter
Belardi	Fischer	Lloyd	Rybak
Belfanti	Foster, W. W.	Lucyk	Saurman
Berson	Freind	McCall	Showers
Blaum	Fryer	McIntyre	Shupnik
Borski	Gallagher	McMonagle	Sieminski
Brown	Gamble	Maiale	Smith, B.
Burns	George	Manderino	Spitz
Caltagirone	Grabowski	Michlovic	Stairs
Cappabianca	Gray	Miller	Steighner
Cawley	Greenfield	Miscevich	Stevens
Cimini	Greenwood	Morris	Stewart
Clark	Gruitza	Mrkonic	Stuban
Cochran	Gruppo	Mullen	Swaim
Cohen	Haluska	Murphy	Sweet
Colafella	Harper	Noye	Taddonio
Cole	Heiser	O'Donnell	Taylor, F. E.
Cordisco	Hoeffel	Olasz	Telek
Cowell	Horgos	Oliver	Tigue
Cunningham	Hutchinson, A.	Pendleton	Trello
DeMedio	Irvis	Petrarca	Van Horne
DeVerter	Itkin	Petrone	Wachob
DeWeese	Kanuck	Phillips	Wambach
Davies	Klingaman	Pievsky	Wargo
Dawida	Kowalyshyn	Pistella	Wass
Deal	Kukovich	Pott	White
Dombrowski	Laughlin	Pratt	Wiggins
Dorr	Lehr	Pucciarelli	Williams, J. D.
Duffy	Lescovitz	Punt	Wozniak
Durham	Letterman	Rappaport	Wright, D. R.
Emerson	Levi	Reber	Zwinkl

NAYS—68

Anderson	Fleck	McClatchy	Serafini
Armstrong	Foster, Jr., A.	Mackowski	Sirianni
Arty	Frazier	Madigan	Smith, E. H.
Beloff	Gallen	Manmiller	Smith, L. E.
Bittle	Gannon	Marmion	Snyder
Bowser	Geist	Merry	Spencer
Boyes	Gladeck	Micozzie	Swift
Brandt	Grieco	Moehlmann	Taylor, E. Z.
Burd	Hagarty	Mowery	Vroon
Cessar	Hasay	Nahill	Wenger
Civera	Hayes	Perzel	Weston
Clymer	Honaman	Peterson	Wilson
Cornell	Hutchinson, W.	Piccola	Wogan
Coslett	Jackson	Pitts	Wright, J. L.
Daikeler	Johnson	Rasco	
Dietz	Kennedy	Rocks	Ryan,
Dininni	Lashingar	Salvatore	Speaker
Donatucci	Lewis		

NOT VOTING—4

Earley	Richardson	Seventy	Williams, H.
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EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the affirmative, and the amendments were agreed to.

AMENDMENTS WITHDRAWN

The SPEAKER. The Chair recognizes the gentleman from Somerset, Mr. Lloyd, who offers the following amendment which the clerk will read.

Mr. LLOYD. Mr. Speaker, in view of the fact that this amendment was offered last week to HB 103 and defeated, and in view of the fact that both amendments are versions of the same principle, I withdraw both amendments.

The SPEAKER. Is the gentleman, Mr. Lloyd, advising me that both amendments, No. 359 and No. 360, are withdrawn?

Mr. LLOYD. That is correct, Mr. Speaker.

The SPEAKER. It is the Chair's understanding that the gentleman from Philadelphia, Mr. Cohen, has withdrawn amendments 493, 494, and 495.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. A. K. HUTCHINSON offered the following amendments No. A498:

Amend Title, page 1, line 18, by removing the period after "Board" and inserting and further providing for certain residential mortgages.

Amend Bill, page 2, by inserting between lines 7 and 8

Section 2. The introductory paragraph of section 915 of the act is amended and a clause is added to read:

Section 915. Terms of Mortgage.—Mortgages other than those set forth in subsections (c), (d), (e), [and] (f) and (k) of this section shall be written on such basis and in such aggregate amounts as the department may by regulation authorize or on a monthly direct reduction loan basis and the contract shall provide that the first monthly payment shall be made not later than sixty days after the advance of the loan, provided however:

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(k) An applicant for a mortgage loan for financing the purchase of a one or two family residential property must be given, at the time the applicant requests an application, written information which shows the highest possible monthly payment during the mortgage term.

Amend Bill, page 2, line 8, by striking out "2." and inserting

3.

Amend Bill, page 2, line 9, by striking out "3." and inserting

4.

Amend Bill, page 4, line 23, by striking out "4." and inserting

5.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Hutchinson.

Mr. A. K. HUTCHINSON. I would like to know if Mr. Smith will give me a left-handed agreement on this one, too. It is the same thing.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I do not have the benefit of the Federal Home Loan Bank regulations to compare this amendment with, so I guess I could give my friend Amos a left-handed

Mr. A. K. HUTCHINSON. Agreed to.

Mr. L. E. SMITH. —agreement on this amendment.  
Mr. A. K. HUTCHINSON. Thank you, Mr. Speaker.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—177

Alden	Emerson	Letterman	Rybak
Armstrong	Evans	Levi	Salvatore
Arty	Fee	Levin	Saurman
Barber	Fischer	Lewis	Serafini
Belardi	Fleck	Livengood	Seventy
Belfanti	Foster, W. W.	Lloyd	Showers
Beloff	Foster, Jr., A.	Lucyk	Shupnik
Berson	Frazier	McCall	Sieminski
Bittle	Freind	McMonagle	Smith, B.
Blaum	Fryer	Madigan	Snyder
Borski	Gallagher	Maiale	Spitz
Bowser	Gallen	Manderino	Stairs
Boyes	Gamble	Manmiller	Steighner
Brown	Gannon	Merry	Stevens
Burd	Geist	Michlovic	Stewart
Burns	George	Micozzie	Suban
Caltagirone	Gladeck	Miller	Swaim
Cappabianca	Grabowski	Mochlmann	Sweet
Cawley	Gray	Morris	Taddonio
Cessar	Greenfield	Mowery	Taylor, E. Z.
Cimini	Greenwood	Mrkonic	Taylor, F. E.
Civera	Grieco	Mullen	Telek
Clark	Gruitza	Murphy	Tigue
Clymer	Gruppo	Nahill	Trello
Cochran	Hagarty	Noye	Van Horne
Cohen	Haluska	O'Donnell	Wachob
Colafella	Harper	Olasz	Wambach
Cole	Hasay	Oliver	Wargo
Cordisco	Hayes	Pendleton	Wass
Cornell	Heiser	Peterson	Wenger
Cowell	Hoeffel	Petrarca	Weston
Cunningham	Horgos	Petrone	White
DeMedio	Hutchinson, A.	Phillips	Wiggins
DeVerter	Irvs	Pievsky	Williams, H.
DeWeese	Itkin	Pistella	Williams, J. D.
Daikeler	Jackson	Pitts	Wilson
Davies	Johnson	Pott	Wogan
Dawida	Kanuck	Pratt	Wozniak
Deal	Klingaman	Punt	Wright, D. R.
Dietz	Kowalshyn	Rappaport	Wright, J. L.
Dininni	Kukovich	Rasco	Zwilk
Dombrowski	Lashingner	Reber	
Donatucci	Laughlin	Rieger	Ryan,
Duffy	Lehr	Ritter	Speaker
Durham	Lescovitz	Rocks	

NAYS—18

Anderson	Hutchinson, W.	Perzel	Smith, L. E.
Brandt	Kennedy	Piccola	Spencer
Coslett	McClatchy	Sirianni	Swift
Dorr	Mackowski	Smith, E. H.	Vroon
Honaman	Marmion		

NOT VOTING—5

Earley	Miscevich	Pucciarelli	Richardson
McIntyre			

EXCUSED—3

Kolter	McVerry	Wilt	
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The question was determined in the affirmative, and the amendments were agreed to.

RECONSIDERATION OF VOTE ON AMENDMENTS TO HB 104

The SPEAKER. The Chair recognizes the minority whip.  
Mr. MANDERINO. Mr. Speaker, I move that the House do reconsider the vote by which the Belfanti amendment No. 255 to HB 104 was defeated on March 25, 1981, be reconsidered.

The SPEAKER. The Chair recognizes the gentleman from Northumberland, Mr. Belfanti.

Mr. BELFANTI. I second the motion.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—197

Alden	Evans	Livengood	Rybak
Anderson	Fee	Lloyd	Salvatore
Armstrong	Fischer	Lucyk	Saurman
Arty	Fleck	McCall	Serafini
Barber	Foster, W. W.	McClatchy	Seventy
Belardi	Foster, Jr., A.	McIntyre	Showers
Belfanti	Frazier	McMonagle	Shupnik
Beloff	Freind	Mackowski	Sieminski
Berson	Fryer	Madigan	Smith, B.
Bittle	Gallagher	Maiale	Smith, E. H.
Blaum	Gallen	Manderino	Smith, L. E.
Borski	Gamble	Manmiller	Snyder
Bowser	Gannon	Marmion	Spencer
Boyes	Geist	Merry	Spitz
Brandt	George	Michlovic	Stairs
Brown	Gladeck	Micozzie	Steighner
Burd	Grabowski	Miller	Stevens
Burns	Gray	Miscevich	Stewart
Caltagirone	Greenfield	Moehlmann	Suban
Cappabianca	Greenwood	Morris	Swaim
Cawley	Grieco	Mowery	Sweet
Cessar	Gruitza	Mrkonic	Swift
Cimini	Gruppo	Mullen	Taddonio
Civera	Hagarty	Murphy	Taylor, E. Z.
Clark	Haluska	Nahill	Taylor, F. E.
Clymer	Harper	Noye	Telek
Cochran	Hasay	O'Donnell	Tigue
Cohen	Hayes	Olasz	Trello
Colafella	Heiser	Oliver	Van Horne
Cole	Hoeffel	Pendleton	Vroon
Cordisco	Honaman	Perzel	Wachob
Cornell	Horgos	Peterson	Wambach
Coslett	Hutchinson, A.	Petrarca	Wargo
Cowell	Hutchinson, W.	Petrone	Wass
Cunningham	Irvs	Phillips	Wenger
DeMedio	Itkin	Piccola	Weston
DeVerter	Jackson	Pievsky	White
DeWeese	Johnson	Pistella	Wiggins
Daikeler	Kanuck	Pitts	Williams, H.
Davies	Kennedy	Pott	Williams, J. D.
Dawida	Klingaman	Pratt	Wilson
Deal	Kowalshyn	Pucciarelli	Wogan
Dietz	Kukovich	Punt	Wozniak
Dininni	Lashingner	Rappaport	Wright, D. R.
Dombrowski	Laughlin	Rasco	Wright, J. L.
Donatucci	Lehr	Reber	Zwilk
Dorr	Lescovitz	Richardson	
Duffy	Letterman	Rieger	Ryan,
Durham	Levi	Ritter	Speaker
Emerson	Lewis	Rocks	

NAYS—1

Sirianni

## NOT VOTING—2

Earley            Levin

## EXCUSED—3

Kolter            McVerry            Wilt

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,  
Will the House agree to the amendments?

Mr. BELFANTI reoffered the following amendments No. A255:

Amend Title, page 1, line 17, by inserting after "for" directors and

Amend Sec. 1, page 1, line 21, by striking out "Clause" and inserting Section 502 and clause

Amend Sec. 1, page 1, line 23, by striking out "is" and inserting are

Amend Bill, page 1, by inserting between lines 23 and 24 Section 502. Number and Qualifications of Directors.—(a) The bylaws shall fix the number of directors at not less than five. (b) Each director shall be a citizen of the United States and at least two-thirds of the directors shall be residents of Pennsylvania. (c) No director shall serve simultaneously as the director of any bank.

On the question,  
Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Northumberland, Mr. Belfanti.

Mr. BELFANTI. Mr. Speaker, I would just like to once again reiterate that it is the small S and L's that I am concerned about with this amendment, and Federal regulations and codes currently do not permit insured institutions from having directors serve simultaneously from one branch to another. I ask that this amendment be considered.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. In asking for a negative vote, I want to correct a statement the gentleman made. The Federal law permits that up to two directors can be interlocking, up to two on a board.

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Davies.

Mr. DAVIES. Would the maker of the amendment stand for a question of interrogation?

The SPEAKER. The gentleman, Mr. Belfanti, indicates a willingness to be interrogated. The gentleman may proceed.

Mr. DAVIES. When would this take effect? If there would be such a director now so named and serving, how would this be implemented? When would it take effect and when would this, of course, restrict or restrain that particular individual?

Mr. BELFANTI. Whenever the bill would become effective. All future people appointed.

**CONSTITUTIONAL POINT OF ORDER**

Mr. DAVIES. Mr. Speaker, I would raise the question of constitutionality under the Pennsylvania Constitution. The question would be that somebody who is serving in that

capacity and has served in that capacity could not be denied; that it would be a matter of discrimination since the Federal regulation does not directly coincide with this. It would be even discriminatory to that end and as well would deny somebody their right that they had retained formerly and would have every right under the protection of the constitution in its provisions to retain that right.

Mr. BELFANTI. Mr. Speaker, I would like to respond to that.

The SPEAKER. Is it the understanding of the Chair that a question of constitutionality of the amendment has been raised?

Mr. DAVIES. Yes, that is right, Mr. Speaker. A question of constitutionality on the amendment, the provision of the restraint of that individual to serve in that capacity. He has served in that capacity and, as I understand under the constitution, would be given that guarantee to continue in that capacity.

The SPEAKER. The gentleman from Berks, Mr. Davies, raises the point of order that the amendment offered by Mr. Belfanti is unconstitutional.

The Speaker, under rule 4, is required to submit questions affecting the constitutionality of a bill to the House for decision, which the Chair now does.

On the question,  
Will the House sustain the constitutionality of the amendments?

The SPEAKER. The Chair recognizes the gentleman, Mr. Belfanti, on the question.

Mr. BELFANTI. Mr. Speaker, on the question, I thought my answer was that this law would take effect in the future and would not affect any individuals who currently are simultaneously serving.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Mr. Speaker, I intend to vote against the amendment when it comes up for its vote. However, I must say that the amendment is entirely constitutional. The right to sit on a board of directors is not a constitutional right; it is not a property right; it is not protected. The privilege of doing banking business in Pennsylvania is that it is a privilege granted by the Commonwealth on the terms that we decide to set forth, period. And if we decide, as I have been arguing most of the day, to go along with the Federal regulations, it is our choice to do so. We are not required to do so and, therefore, I would ask for a vote that this is constitutional, although it may be poor policy which I will debate later on.

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Davies.

Mr. DAVIES. As that particular right as it exists now, I understand I would not have any problems with this if it stated that it was only to take effect when the provision of that term expired. This does not give that protection to that individual. It merely goes into effect immediately, so, therefore, it does deny him those rights which he is exercising now under his regular property rights and, therefore, it would be discriminatory and it would be being applied discriminatorily,

and, therefore, I maintain that it is unconstitutional. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman, Mr. Belfanti.

Mr. BELFANTI. I would like to ask the gentleman where in the constitution he is extracting this information? Up in our mountains we do other things with sheep, other than quote the constitution.

The SPEAKER. The question before the House is on the point of order raised by the gentleman from Berks, Mr. Davies, as to the constitutionality of the amendment.

The Chair recognizes the gentleman from Lehigh, Mr. Ritter.

Mr. RITTER. Mr. Speaker, I think when we raise the question of constitutionality there carries with it some obligation to tell what part of the constitution is being violated, and I would like to ask the gentleman from Berks, Mr. Davies, if he would tell me what part of the constitution this amendment would violate and would therefore make it unconstitutional, and not just some broad statement that it is discriminatory.

The SPEAKER. The Chair recognizes the gentleman, Mr. Davies.

Mr. DAVIES. Mr. Speaker, my understanding of it would be, and I cannot quote exactly from the constitution, that if you do have your right in place, that this would be after the fact. I have no objection to the fact that that person is serving and is serving under the laws, and accepted that under the laws and has achieved that with all application of the law in legislative process and due process and so, therefore, is allowed to maintain that until that particular term would expire because it had been acquired under those particular laws and the due process of the laws of the Commonwealth. Therefore, I would maintain that it would be that constitutional right and should be preserved until that time has expired. At that particular time, if the gentleman does want to replace that restraint upon it, I would have no objection to that. Article I, section 26, is as close as I can get, sir.

The SPEAKER. The Chair recognizes, Mr. Ritter.

Mr. RITTER. Mr. Speaker, I thank the gentleman. Article I, section 26, deals with the enjoyment of any civil right. It seems to me that being elected a director of a bank is not necessarily the kind of civil right that the constitution seeks to protect. The constitution further says in Article I, section 24, that this legislature shall not create any office the appointment to which shall be for a longer term than good behavior. There are a number of other references to the issue that Mr. Davies is addressing, but none of them, it seems to me, none of them guarantees the right under the constitution that a person who is serving as a director of a bank is guaranteed the right to continue under the constitution. That is just a false argument that is being raised.

Mr. Speaker, I am very serious about this. I think that the question of constitutionality should not be raised on an issue that is as unclear as Mr. Davies is trying to make it. There is no constitutional prohibition against this amendment. Whether you support or oppose the amendment, you ought to do so on that basis and not try to hide behind a question of

whether or not some discrimination is taking place in an office for which somebody had to be either appointed or elected, and that kind of an election is not protected under the constitution. This amendment is certainly constitutional, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman, Mr. Davies.

Mr. DAVIES. Mr. Speaker, it is not a hollow point, and we will go to section I of the Declaration of Rights of the Constitution: "All men are born equally free and independent, and have certain inherent and indefeasible rights, among which are those of enjoying and defending life and liberty, of acquiring... and protecting property and reputation, and of pursuing their own happiness." If that is not a propertied right, sir, I do not know what is a propertied right.

The SPEAKER. The Chair recognizes the minority whip.

Mr. MANDERINO. You are not going to get me in this one.

Mr. RITTER. Mr. Speaker, may I respond to that?

The SPEAKER. The Chair recognizes the gentleman, Mr. Ritter.

Mr. RITTER. Mr. Speaker, I just want to make one final point. I suppose one could look at this constitution and twist it any way in which someone wanted to. Being a bank director, it seems to me, has nothing to do with the pursuit of happiness or motherhood or the American flag, and it is not protected under the constitution, and we ought not to vote that way and we ought to say that this amendment is in fact constitutional and vote against Mr. Davies' proposal.

The SPEAKER. The question before the House is on the point of order raised by the gentleman, Mr. Davies, that the Belfanti amendments are unconstitutional.

Mr. MANDERINO. I wish you would let Mr. Hutchinson speak. I need his wisdom. I need Mr. Hutchinson's wisdom.

The SPEAKER. The Chair reluctantly recognizes the gentleman from Schuylkill, Mr. Hutchinson.

Mr. W. D. HUTCHINSON. I noted the Chair's reluctance, Mr. Speaker, and I thank the Chair.

Mr. Speaker, I just wanted to say to Mr. Davies that I am a strict constructionist. I am a strict constructionist on this in that it is part of the thing that I have been saying and, as such, Mr. Speaker, I hope you will understand my vote on this, but I cannot find it in the constitution directly.

The SPEAKER. The Chair recognizes the gentleman, Mr. Davies.

Mr. MANDERINO. For which time? Third, fourth, or fifth?

The SPEAKER. Fourth.

Mr. DAVIES. Mr. Speaker, all I would say to Mr. Hutchinson is that it says that it specifically protects that propertied right. I would ask him to look at section 1. If it is not there in black and white, I will take back everything I said about "ye of little faith" or those who are baa, baa, baaing. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the minority whip.

Mr. MANDERINO. I finally understand the charge of discrimination; it is there in black and white. He said so.

The SPEAKER. On the question, those voting "aye" will be voting to declare the amendment constitutional. Those voting "nay" will be voting that the amendment is unconstitutional.

On the question recurring,

Will the House sustain the constitutionality of the amendments?

The following roll call was recorded:

YEAS—178

Alden	Evans	Levi	Rocks
Armstrong	Fee	Levin	Rybak
Arty	Fleck	Lewis	Saurman
Barber	Foster, W. W.	Livengood	Serafini
Belardi	Frazier	Lloyd	Seventy
Belfanti	Freind	Lucy	Showers
Beloff	Fryer	McCall	Shupnik
Berson	Gallagher	McIntyre	Sieminski
Blaum	Gamble	McMonagle	Smith, E. H.
Borski	Gannon	Mackowski	Snyder
Bowser	Geist	Maiale	Spitz
Boyes	George	Manderino	Stairs
Brandt	Gladeck	Manmiller	Steighner
Brown	Grabowski	Marmion	Stevens
Burns	Gray	Merry	Stewart
Caltagirone	Greenfield	Michlovic	Suban
Cappabianca	Greenwood	Micozzie	Swaim
Cawley	Grieco	Miller	Sweet
Cessar	Gruitza	Miscevich	Taddonio
Cimini	Gruppo	Moehlmann	Taylor, E. Z.
Civera	Hagarty	Morris	Taylor, F. E.
Clark	Haluska	Mowery	Telek
Cochran	Harper	Mrkonic	Tigue
Cohen	Hasay	Mullen	Trello
Colafella	Hayes	Murphy	Van Horne
Cole	Heiser	Nahill	Vroon
Cordisco	Hoeffel	Noye	Wachob
Cornell	Honaman	O'Donnell	Wambach
Coslett	Horgos	Olasz	Wargo
Cowell	Hutchinson, A.	Oliver	Wass
Cunningham	Hutchinson, W.	Pendleton	Wenger
DeMedio	Irvis	Peterson	Weston
DeVerter	Itkin	Petrarca	White
DeWeese	Jackson	Phillips	Wiggins
Daikeler	Johnson	Pievsky	Williams, H.
Dawida	Kanuck	Pistella	Williams, J. D.
Deal	Kennedy	Pitts	Wilson
Dietz	Klingaman	Pott	Wogan
Dininni	Kowalyshyn	Pratt	Wozniak
Dombrowski	Kukovich	Pucciarelli	Wright, D. R.
Donatucci	Lashingner	Rappaport	Wright, J. L.
Dorr	Laughlin	Reber	Zwinkl
Duffy	Lehr	Richardson	
Durham	Lescovitz	Rieger	Ryan,
Emerson	Letterman	Ritter	Speaker

NAYS—20

Anderson	Fischer	Perzel	Sirianni
Bittle	Foster, Jr., A.	Piccola	Smith, B.
Burd	Gallen	Punt	Smith, L. E.
Clymer	McClatchy	Rasco	Spencer
Davies	Madigan	Salvatore	Swift

NOT VOTING—2

Earley	Petrone
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EXCUSED—3

Kolter	McVerry	Wilt
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The majority having voted in the affirmative, the question was determined in the affirmative and the constitutionality of the amendments was sustained.

On the question recurring,  
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—96

Armstrong	Emerson	Lucy	Ritter
Barber	Evans	McCall	Rybak
Belfanti	Fee	McIntyre	Seventy
Berson	Fryer	McMonagle	Showers
Blaum	Gallagher	Maiale	Shupnik
Borski	Gamble	Manderino	Steighner
Brown	George	Michlovic	Stewart
Caltagirone	Grabowski	Miscevich	Suban
Cappabianca	Gray	Moehlmann	Swaim
Cawley	Greenfield	Morris	Sweet
Clark	Haluska	Mrkonic	Taylor, F. E.
Cochran	Harper	Mullen	Tigue
Cohen	Hoeffel	Murphy	Trello
Colafella	Horgos	O'Donnell	Van Horne
Cole	Irvis	Oliver	Wachob
Cordisco	Itkin	Pendleton	Wambach
Cowell	Kowalyshyn	Petrarca	Wargo
DeMedio	Kukovich	Petrone	White
DeWeese	Laughlin	Pievsky	Wiggins
Dawida	Lescovitz	Pistella	Williams, H.
Deal	Letterman	Pratt	Williams, J. D.
Dombrowski	Levin	Pucciarelli	Wozniak
Donatucci	Livengood	Richardson	Wright, D. R.
Duffy	Lloyd	Rieger	Zwinkl

NAYS—99

Alden	Fleck	Levi	Serafini
Anderson	Foster, W. W.	Lewis	Sieminski
Arty	Foster, Jr., A.	McClatchy	Sirianni
Belardi	Frazier	Mackowski	Smith, B.
Beloff	Freind	Madigan	Smith, E. H.
Bittle	Gallen	Manmiller	Smith, L. E.
Bowser	Gannon	Marmion	Snyder
Boyes	Geist	Merry	Spencer
Brandt	Gladeck	Micozzie	Spitz
Burd	Greenwood	Miller	Stairs
Burns	Grieco	Mowery	Stevens
Cessar	Gruppo	Nahill	Swift
Cimini	Hagarty	Noye	Taddonio
Civera	Hasay	Perzel	Taylor, E. Z.
Clymer	Hayes	Peterson	Telek
Cornell	Heiser	Phillips	Vroon
Coslett	Honaman	Piccola	Wass
Cunningham	Hutchinson, W.	Pitts	Wenger
DeVerter	Jackson	Pott	Weston
Daikeler	Johnson	Punt	Wilson
Davies	Kanuck	Rasco	Wogan
Dietz	Kennedy	Reber	Wright, J. L.
Dininni	Klingaman	Rocks	
Dorr	Lashingner	Salvatore	Ryan,
Durham	Lehr	Saurman	Speaker
Fischer			

NOT VOTING—5

Earley	Hutchinson, A.	Olasz	Rappaport
Gruitza			

EXCUSED—3

Kolter	McVerry	Wilt
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The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?



Bill as amended was agreed to.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Trello.

Mr. TRELLO. Mr. Speaker, I do not know if this is proper, but I was not in my seat when HB 103 was voted on, and if I had been in my seat, I would like to be recorded in the negative.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

CONSIDERATION OF HB 104 CONTINUED

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

YEAS—162

Alden	Evans	Livengood	Rocks
Anderson	Fischer	Lloyd	Rybak
Armstrong	Fleck	Lucyk	Salvatore
Arty	Foster, W. W.	McCall	Saurman
Belardi	Foster, Jr., A.	McClatchy	Serafini
Belfanti	Frazier	Mackowski	Seventy
Beloff	Freind	Madigan	Showers
Bittle	Fryer	Maiiale	Shupnik
Blaum	Gallen	Manmiller	Sieminski
Borski	Gamble	Marmion	Sirianni
Bowser	Gannon	Merry	Smith, B.
Boyes	Geist	Micozzie	Smith, E. H.
Brandt	Gladeck	Miller	Smith, L. E.
Brown	Grabowski	Miscevich	Snyder
Burd	Gray	Moehlmann	Spencer
Burns	Greenwood	Morris	Spitz
Caltagirone	Grieco	Mowery	Stairs
Cappabianca	Gruitza	Mrkonic	Steighner
Cawley	Gruppo	Mullen	Stevens
Cessar	Hagarty	Murphy	Swaim
Cimini	Haluska	Nahill	Swift
Civera	Harper	Noye	Taddonio
Clark	Hayes	O'Donnell	Taylor, E. Z.
Clymer	Heiser	Pendleton	Taylor, F. E.
Cochran	Hoeffel	Perzel	Telek
Cole	Honaman	Peterson	Tigue
Cornell	Horgos	Petrarca	Trello
Coslett	Hutchinson, A.	Petrone	Vroon
Cowell	Hutchinson, W.	Phillips	Wachob
Cunningham	Jackson	Piccola	Wenger
DeVerter	Johnson	Pistella	Weston
DeWeese	Kanuck	Pitts	Wiggins
Daikeler	Kennedy	Pott	Williams, J. D.
Davies	Klingaman	Pratt	Wilson
Dietz	Kowalshyn	Pucciarelli	Wogan
Dininni	Kukovich	Punt	Wright, D. R.
Dombrowski	Lashinger	Rappaport	Wright, J. L.
Donatucci	Lehr	Rasco	Zwilk
Dorr	Levi	Reber	
Duffy	Levin	Rieger	Ryan,
Durham	Lewis	Ritter	Speaker

NAYS—32

Barber	Gallagher	McMonagle	Sweet
Cohen	George	Manderino	Van Horne
Colafella	Greenfield	Michlovic	Wambach
Cordisco	Hasay	Olasz	Wargo
DeMedio	Irvis	Oliver	Wass
Dawida	Itkin	Pievsky	White

Emerson	Laughlin	Stewart	Williams, H.
Fee	Lescovitz	Stuban	Wozniak

NOT VOTING—6

Berson	Earley	McIntyre	Richardson
Deal	Letterman		

EXCUSED—3

Kolter	McVerry	Wilt
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The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative.

Ordered, That the clerk present the same to the Senate for concurrence.

REMARKS ON VOTES

The SPEAKER. The Chair recognizes the gentleman from Centre, Mr. Letterman.

Mr. LETTERMAN. I do not think my switch worked. I would like to be recorded in the negative on HB 104.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

The Chair recognizes the gentleman from Philadelphia, Mr. Deal.

Mr. DEAL. Mr. Speaker, my negative button was not working properly on HB 104. Will you please record me as such?

The SPEAKER. The remarks of the gentleman will be spread upon the record.

The Chair recognizes the gentleman from Washington, Mr. Sweet.

Mr. SWEET. Mr. Speaker, I was inadvertently recorded in the negative on HB 104 and I would like to be recorded in the affirmative.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

The Chair recognizes the gentleman from Luzerne, Mr. Tigue. For what purpose does the gentleman rise?

Mr. TIGUE. Mr. Speaker, my vote on HB 103 was not recorded, and I would like the record to show that I voted in the affirmative, please.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

The Chair recognizes the lady from Philadelphia, Mrs. Harper.

Mrs. HARPER. Mr. Speaker, I inadvertently voted in the positive. I would like to be recorded in the negative on HB 104. Thank you.

The SPEAKER. The remarks of the lady will be spread upon the record.

RESOLUTION ADOPTED

Mr. CUNNINGHAM called up HR 33, PN 1026, entitled:

General Assembly recognize April 6-12, 1981 as "Slavic-American Culture Week".

On the question,  
Will the House adopt the resolution?

The SPEAKER. The Chair recognizes the gentleman from Centre, Mr. Cunningham.

Mr. CUNNINGHAM. It may seem kind of strange to some members that an Irishman would be introducing a resolution of this sort, but I would like to say that I have on my desk a sign-up sheet and I would like to encourage all members who wish to join me in recognizing the creation of Slavic-American Week to do that. It will be here and, at the closing of today's proceedings, we will then attach it to the resolution and the names will be added to the bill. Thank you, Mr. Speaker.

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—192

Alden	Emerson	Lewis	Salvatore
Anderson	Evans	Livengood	Saurman
Armstrong	Fee	Lloyd	Serafini
Arty	Fischer	Lucyk	Seventy
Barber	Fleck	McCall	Showers
Belardi	Foster, W. W.	McClatchy	Shupnik
Belfanti	Foster, Jr., A.	McIntyre	Sieminski
Beloff	Frazier	Madigan	Sirianni
Berson	Freind	Maiiale	Smith, B.
Bittle	Fryer	Manmiller	Smith, E. H.
Blaum	Gallagher	Marmion	Smith, L. E.
Borski	Gallen	Merry	Snyder
Bowser	Gamble	Michlovic	Spencer
Boyes	Gannon	Micozzie	Spitz
Brandt	Geist	Miller	Stairs
Brown	George	Miscevich	Steighner
Burd	Gladeck	Moehlmann	Stevens
Burns	Grabowski	Morris	Stewart
Caltagirone	Gray	Mowery	Stuban
Cappabianca	Greenfield	Mrkonic	Swaim
Cawley	Greenwood	Mullen	Sweet
Cessar	Grieco	Nahill	Swift
Cimini	Gruitza	Noye	Taddonio
Civera	Gruppo	O'Donnell	Taylor, E. Z.
Clark	Hagarty	Olasz	Taylor, F. E.
Clymer	Haluska	Oliver	Telek
Cochran	Harper	Pendleton	Tigue
Cohen	Hasay	Perzel	Trello
Colafella	Hayes	Peterson	Van Horne
Cole	Heiser	Petrarca	Vroon
Cordisco	Hoeffel	Petrone	Wachob
Cornell	Honaman	Phillips	Wambach
Coslett	Horgos	Piccola	Wargo
Cowell	Hutchinson, A.	Pievsky	Wass
Cunningham	Hutchinson, W.	Pistella	Wenger
DeMedio	Itkin	Pitts	Weston
DeVerter	Jackson	Pott	White
DeWeese	Johnson	Pratt	Wiggins
Daikeler	Kanuck	Pucciarelli	Williams, J. D.
Davies	Kennedy	Punt	Wilson
Dawida	Klingaman	Rappaport	Wogan
Deal	Kowalshyn	Rasco	Wozniak
Dietz	Kukovich	Reber	Wright, D. R.
Dininni	Lashinger	Richardson	Wright, J. L.
Dombrowski	Laughlin	Rieger	Zwikl
Donatucci	Lehr	Ritter	
Dorr	Lescovitz	Rocks	Ryan,
Duffy	Letterman	Rybak	Speaker
Durham	Levi		

NAYS—1

McMonagle

NOT VOTING—7

Earley                      Levin                      Manderino                      Williams, H.  
Irvis                      Mackowski                      Murphy

EXCUSED—3

Kolter                      McVerry                      Wilt

The question was determined in the affirmative, and the resolution was adopted.

Ordered, That the clerk present the same to the Senate for concurrence.

REMARKS ON VOTES

The SPEAKER. The Chair recognizes the gentleman from Elk, Mr. Wachob.

Mr. WACHOB. On HB 104 I was inadvertently voted in the affirmative. I would like the record to clearly show that I wish to be voted in the negative.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

The Chair recognizes the minority leader.

Mr. IRVIS. Mr. Speaker, I inadvertently failed to vote on HR 33 and wish to be recorded in the affirmative.

The SPEAKER. The gentleman's remarks will be spread upon the record.

The Chair recognizes the minority whip.

Mr. MANDERINO. Mr. Speaker, I inadvertently failed to vote on HR 33, and before my friend, Mr. Dombrowski, finds out that happened, I wish to be recorded in the affirmative. Mr. Dombrowski finds out that happened.

The SPEAKER. The remarks of the gentlemen will be spread upon the record.

The Chair recognizes the gentleman from Philadelphia, Mr. Richardson.

Mr. RICHARDSON. Mr. Speaker, on HB 103, final passage, my switch was inoperative. I would like to be recorded in the negative on that vote, please.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over.

The Chair hears none.

STATE GOVERNMENT COMMITTEE MEETING

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Gallen.

Mr. GALLEN. Mr. Speaker, there will be a meeting

The SPEAKER. Will the gentleman yield? There will be no further rollcall votes, but there will be some announcements.

The Chair recognizes the gentleman, Mr. Gallen.

Mr. GALLEN. Mr. Speaker, there will be an immediate meeting of the Committee on State Government in room 401. It will be a very brief meeting. I would appreciate your prompt attendance, those members of that committee. Thank you, Mr. Speaker.

### REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from McKean, Mr. Mackowski.

Mr. MACKOWSKI. Mr. Speaker, I was out of my seat during the vote on HR 33. I would like to be recorded in the affirmative, please.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

### BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

#### HB 799, PN 857 (Unanimous)

By Rep. BITTLE

An Act amending "The Clean Streams Law," approved June 22, 1937 (P. L. 1987, No. 394), further providing for approval of sewage systems and sewage treatment and limiting the authority of the Department of Environmental Resources and courts in requiring construction of sewerage facilities by municipalities.

CONSERVATION.

#### HB 800, PN 1147 (Amended) (Unanimous)

By Rep. BITTLE

An Act amending the "Soil Conservation Law," approved May 15, 1945 (P. L. 547, No. 217), further providing for county boards, providing for nomination of district directors; providing additional duties for the Department of Environmental Resources, the State Conservation Commission and district boards.

CONSERVATION.

### ADDITIONS OF SPONSORSHIPS

The SPEAKER. The Chair recognizes the majority leader.

Mr. HAYES. Mr. Speaker, I submit for the record, in accordance with our rules, the additions of sponsorships.

HR 3, Weston, Mrkonic; HR 28, Itkin; HB 261, Boyes; HB 279, Mrkonic; HB 311, Gallagher; HB 395, Belardi, Serafini; HB 562, Mrkonic; HB 680, McIntyre; HB 714, Wogan; HB 863, Johnson, Clymer; HB 879, Trello; HB 880, Alden, Trello; HB 881, Peterson, Trello; HB 882, Peterson, Arty, Alden, Trello; HB 887, Belfanti, Rasco; HB 888, Lashingner, Peterson, Trello; HB 889, Peterson, Trello; HB 890, Trello; HB 891, Arty, Peterson, Trello; HB 892, Trello, Alden; HB 926, Punt; HB 930, Saurman, Cohen, Sieminski; HB 942, Dorr, Caltagirone, Bittle, Cornell, Arty.

### REMARKS ON VOTES

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Richardson.

Mr. RICHARDSON. Mr. Speaker, I just noticed on the rollcall printout that my machine is still inoperative, and on HB 104 it did not register at all, and I would like to be recorded in the negative on that bill, please.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

The Chair recognizes the gentleman from Philadelphia, Mr. Deal. For what purpose does the gentleman rise?

Mr. DEAL. Mr. Speaker, though I rose and made a request regarding my vote on HB 104 and pointed out my machine was not working properly, I was still not recorded in the negative. I would hope that the Speaker would take note of that.

The SPEAKER. The gentleman should be advised that after the roll is taken he cannot be added to the roll call. His remarks explaining his vote or lack of voting are made part of the official record.

Mr. DEAL. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. McMonagle.

Mr. McMONAGLE. Mr. Speaker, I inadvertently voted in the negative on HR 33 and would like the record to reflect that I intended to vote in the affirmative.

### ANNOUNCEMENT BY MR. MICHLOVIC

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Michlovic.

Mr. MICHLOVIC. Mr. Speaker, I would like to make an announcement to the members of the House that there is an ecumenical day, a fellowship day, that will take place tomorrow from 9:30 to 3 o'clock at the Trinity Spiritual Center, and all my colleagues are invited. If they have not already made reservations, they may do so either through my office or the office of Mr. Lee Taddonio. Thank you, Mr. Speaker.

### WELCOMES

The SPEAKER. The Chair is pleased to welcome to the floor of the House today from Conneaut Lake, Pennsylvania, Ray Schneider, Bob Stanton, George Phillips, Paul Nye, and Rick Wohler, here today as the guests of Mr. Merry.

The Chair at this time would like to welcome to the hall of the House the Shamokin Area Elementary School fifth-grade class, here today as the guests of Mr. Belfanti of Northumberland County.

The Chair at this time welcomes to the floor of the House Gaius Hanawalt and Bonnie Black, here today as the guests of Mr. Rick Geist.

The Chair welcomes to the hall of the House Mr. Tip Veltri of Sharpsburg, Pennsylvania, former assistant school superintendent of the Fox Chapel School District, here today as the guest of Mr. Rick Cessar.

The Chair at this time would like to welcome to the hall of the House a group of four students from Millersville State College including Brian Thomas, chairman of the College Republicans, Michael Horstmon, Karen Kohr, and Eileen Keenan, here today as the guests of the delegation from Lancaster County.

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**ADJOURNMENT**

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Frazier.

Mr. FRAZIER. Mr. Speaker, I move that this House do now adjourn until Monday, March 30, 1981, at 1 p.m., e.s.t.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 3:39 p.m., e.s.t., the House adjourned.