

MORTGAGE LOANS - PREMIUM CHARGES BY LENDER
Act of May 17, 1968, P.L. 122, No. 63
AN ACT

Cl. 12

Authorizing the charge of a premium for a mortgage loan in addition to interest and other charges permitted by law.

Compiler's Note: Section 2 of Act 209 of 1970 provided that Act 63 is repealed insofar as it is inconsistent with Act 209.

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

Section 1. A lender who makes a loan secured by a lien on real estate obtained by a mortgage or deed may, with the written agreement of the borrower, charge the borrower a premium for the privilege of being granted such loan in an amount not to exceed one percent of the unpaid balance of the loan per annum if the premium is collected in installments.

Section 2. Such charge shall be valid and may be collected in addition to all interest and other costs, charges and expenses permitted by law.

No premium or portion thereof authorized hereunder may be collected if the aggregate of the interest on the loan and such premium or portion thereof would exceed a maximum rate of seven percent.

Section 3. This act shall not apply to any such loan existing on the effective date of this act or the refinancing thereof nor to any such loan contracted for after a period of five years from the effective date hereof provided that any premium contracted for during such five year period may continue to be collected thereafter.

Section 4. This act shall take effect immediately.