

**MORTGAGE BANKERS AND BROKERS AND CONSUMER EQUITY PROTECTION ACT**  
**Act of Dec. 22, 1989, P.L. 687, No. 90** **Cl. 07**  
AN ACT

Providing for the regulation and licensing of mortgage bankers and mortgage brokers; imposing additional powers and duties on the Department of Banking and the State Real Estate Commission; and providing penalties.

TABLE OF CONTENTS

Chapter 1. Preliminary Provisions

Section 101. Short title.

Section 102. Definitions.

Chapter 3. Licensure (Repealed)

Section 301. Scope (Repealed).

Section 302. Definitions (Repealed).

Section 303. License requirements and exemptions (Repealed).

Section 304. Application for license (Repealed).

Section 305. Annual license fee (Repealed).

Section 306. Issuance of license (Repealed).

Section 307. Licensee duration (Repealed).

Section 308. Licensee requirements (Repealed).

Section 309. Licensee limitations (Repealed).

Section 310. Authority of department or commission (Repealed).

Section 311. Fees (Repealed).

Section 312. Surrender of license (Repealed).

Section 313. Suspension, revocation or refusal (Repealed).

Section 314. Penalties (Repealed).

Section 316. Referral fees (Repealed).

Section 317. Real Estate Recovery Fund (Repealed).

Section 318. Applicability (Repealed).

Chapter 5. Consumer Equity Protection

Subchapter A. General Provisions

Section 501. Scope.

Section 502. Legislative findings.

Section 503. Definitions.

Section 504. Relationship to other laws.

Subchapter B. Protection of Obligors

Section 511. Limitations on covered loan terms.

Section 512. Restricted acts and practices.

Section 513. Additional requirements.

Subchapter C. Enforcement and Civil Liability

Section 521. Enforcement.

Section 522. Civil liability.

Section 523. Information sharing.

Section 524. Regulations.

Chapter 31. Miscellaneous Provisions

Section 3101. Effective date.

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

- Section 1. Short title. (1 renumbered 301 and amended June 25, 2001, P.L.621, No.55)
- Section 2. Definitions. (2 renumbered 302 and amended June 25, 2001, P.L.621, No.55)
- Section 3. License requirements and exemptions. (3 renumbered 303 and amended June 25, 2001, P.L.621, No.55)
- Section 4. Application for license. (4 renumbered 304 and amended June 25, 2001, P.L.621, No.55)
- Section 5. Annual license fee. (5 renumbered 305 and amended June 25, 2001, P.L.621, No.55)
- Section 6. Issuance of license. (6 renumbered 306 and amended June 25, 2001, P.L.621, No.55)
- Section 7. License duration. (7 renumbered 307 and amended June 25, 2001, P.L.621, No.55)
- Section 8. Licensee requirements. (8 renumbered 308 and amended June 25, 2001, P.L.621, No.55)
- Section 9. Licensee limitations. (9 renumbered 309 and amended June 25, 2001, P.L.621, No.55)
- Section 10. Authority of department or commission. (10 renumbered 310 and amended June 25, 2001, P.L.621, No.55)
- Section 11. Fees. (11 renumbered 311 and carried without amendment June 25, 2001, P.L.621, No.55)
- Section 12. Surrender of license. (12 renumbered 312 and carried without amendment June 25, 2001, P.L.621, No.55)
- Section 13. Suspension, revocation or refusal. (13 renumbered 313 and amended June 25, 2001, P.L.621, No.55)
- Section 14. Penalties. (14 renumbered 314 and amended June 25, 2001, P.L.621, No.55)
- Section 15. Report. (15 deleted by amendment Dec. 21, 1998, P.L.987, No.131)
- Section 16. Referral fees. (16 renumbered 316 and amended June 25, 2001, P.L.621, No.55)
- Section 17. Real Estate Recovery Fund. (17 renumbered 317 and amended June 25, 2001, P.L.621, No.55)
- Section 18. Scope of act. (18 renumbered 318 and amended June 25, 2001, P.L.621, No.55)
- Section 19. Effective date. (19 renumbered 3101 and amended June 25, 2001, P.L.621, No.55)

#### CHAPTER 1

##### PRELIMINARY PROVISIONS

(Ch. 1 added June 25, 2001, P.L.621, No.55)

#### Section 101. Short title.

This act shall be known and may be cited as the Mortgage Bankers and Brokers and Consumer Equity Protection Act.

(101 added June 25, 2001, P.L.621, No.55)

#### Section 102. Definitions.

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

"Department." The Department of Banking of the Commonwealth.  
(102 added June 25, 2001, P.L.621, No.55)

#### CHAPTER 3

##### LICENSURE

(Ch. repealed July 8, 2008, P.L.796, No.56)

Section 301. Scope. (301 repealed July 8, 2008, P.L.796, No.56)  
Section 302. Definitions. (302 repealed July 8, 2008, P.L.796, No.56)  
Section 303. License requirements and exemptions. (303 repealed July 8, 2008, P.L.796, No.56)  
Section 304. Application for license. (304 repealed July 8, 2008, P.L.796, No.56)  
Section 305. Annual license fee. (305 repealed July 8, 2008, P.L.796, No.56)  
Section 306. Issuance of license. (306 repealed July 8, 2008, P.L.796, No.56)  
Section 307. License duration. (307 repealed July 8, 2008, P.L.796, No.56)  
Section 308. Licensee requirements. (308 repealed July 8, 2008, P.L.796, No.56)  
Section 309. Licensee limitations. (309 repealed July 8, 2008, P.L.796, No.56)  
Section 310. Authority of department or commission. (310 repealed July 8, 2008, P.L.796, No.56)  
Section 311. Fees. (311 repealed July 8, 2008, P.L.796, No.56)  
Section 312. Surrender of license. (312 repealed July 8, 2008, P.L.796, No.56)  
Section 313. Suspension, revocation or refusal. (313 repealed July 8, 2008, P.L.796, No.56)  
Section 314. Penalties. (314 repealed July 8, 2008, P.L.796, No.56)  
Section 316. Referral fees. (316 repealed July 8, 2008, P.L.796, No.56)  
Section 317. Real Estate Recovery Fund. (317 repealed July 8, 2008, P.L.796, No.56)  
Section 318. Applicability. (318 repealed July 8, 2008, P.L.796, No.56)

CHAPTER 5  
CONSUMER EQUITY PROTECTION  
(Ch. 5 added June 25, 2001, P.L.621, No.55)

SUBCHAPTER A  
GENERAL PROVISIONS  
(Subch. A added June 25, 2001, P.L.621, No.55)

Section 501. Scope.  
This chapter deals with consumer equity protection.  
(501 added June 25, 2001, P.L.621, No.55)  
Section 502. Legislative findings.  
The General Assembly finds and declares as follows:  
(1) All citizens are entitled to fair access to credit and the ability to share in the American dream of homeownership, including those whose financial or other personal circumstances make them vulnerable to predatory lenders who could take advantage of them by making or arranging high-cost loans that borrowers may not be able to repay and by refinancing mortgage loans with added fees that result in the borrower's equity being stripped.  
(2) The subprime lending market provides loans to many borrowers who have impaired credit, and this lending market performs a significant service to citizens of this Commonwealth, particularly those in distressed urban areas.  
(3) Legislation affecting the subprime market should not be overly broad and should restrict only those relatively few lenders who are purposefully engaged in patterns and

practices of unfair treatment to vulnerable consumers commonly referred to as predatory lending.

(4) The legitimate conventional and subprime markets should not be subject to the same restrictions, prohibitions, remedies and penalties as the high-cost loans which meet thresholds that distinguish them from loans in other markets.

(502 added June 25, 2001, P.L.621, No.55)

#### Section 503. Definitions.

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

"Affiliate." Any entity that controls, is controlled by or is under common control with another entity as determined under the Bank Holding Company Act of 1956 (70 Stat. 133, 12 U.S.C. § 1841 et seq.).

"Bridge loan." A loan with a maturity of less than 18 months which only requires payments of interest until such time as the entire unpaid balance is due and payable.

"Covered loan." A consumer credit mortgage loan transaction involving property located within this Commonwealth, that is considered a mortgage under section 103(aa) of the Truth in Lending Act (Public Law 90-321 15 U.S.C. § 1602(aa)) and regulations adopted pursuant thereto by the Federal Reserve Board, including 12 CFR § 226.32 (relating to requirements for certain closed-end home mortgages), for which the original principal balance of the loan is less than \$100,000.

"Creditor." A person considered a creditor pursuant to 12 CFR § 226.2(a)(17) (relating to definitions and rules of construction).

"Gross income." An obligor's gross income as set forth on a credit application, the obligor's financial statement, a credit report, financial information provided to the lender by or on behalf of the obligor or as determined by any other reasonable means by a lender.

"Lender." Any creditor that in any 12-month period originates at least one covered loan. The creditor to whom the covered loan is initially payable, either on the face of the note or contract or by agreement when there is no note or contract, shall be deemed to be the lender.

"Median family income." Median family income for the Metropolitan Statistical Area (MSA) as defined by the Director of the United States Office of Management and Budget in which property which secures a covered loan is located or, for loans secured by property not located within an MSA, the nonmetropolitan median family income for the Commonwealth as reported in the most recent estimates made available by the United States Department of Housing and Urban Development at the time a loan application is received or the latest such estimates made available in the preceding calendar year, whichever amount is lower. To the extent such information is not readily available from the United States Department of Housing and Urban Development in a form suitable for use by lenders, the Department of Banking shall periodically publish or otherwise make available to lenders median family income information for MSAs and nonmetropolitan areas that may be relied upon by lenders for purposes of this chapter.

"Mortgage broker." A person required to be licensed as a mortgage broker, limited mortgage broker or loan correspondent pursuant to the act of December 22, 1989 (P.L.687, No.90), known as the Mortgage Bankers and Brokers Act, or as a secondary mortgage loan broker pursuant to the act of December 12, 1980 (P.L.1179, No.219), known as the Secondary Mortgage Loan Act.

"Municipality." A county, city, borough, incorporated town or township.

"Obligor." Each obligor, co-obligor, cosigner or guarantor obligated to repay a covered loan.

"Person." A corporation, partnership, limited liability company, business trust or any other common enterprise or undertaking involving two or more persons, association of two or more persons, estate, trust, foundation or natural person.

"Political subdivision." A municipality, school district, vocational school district or municipal authority.

"Principal balance." The amount of a promissory note secured by a mortgage in a consumer credit mortgage transaction.

"Servicer." A servicer as defined in section 6(i)(2) of the Real Estate Settlement Procedures Act of 1974 (Public Law 93-533, 12 U.S.C. § 2605(i)(2)).

(503 added June 25, 2001, P.L.621, No.55)

Section 504. Relationship to other laws.

(a) General rule.--All political subdivisions of this Commonwealth, including home rule municipalities, shall be prohibited from enacting and enforcing ordinances, resolutions and regulations pertaining to the financial or lending activities of persons who:

(1) are subject to the jurisdiction of the department, including activities subject to this chapter;

(2) are subject to the jurisdiction or regulatory supervision of the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, the Federal Deposit Insurance Corporation, the Federal Trade Commission or the United States Department of Housing and Urban Development; or

(3) that originate, purchase, sell, assign, securitize or service property interests or obligations created by financial transactions or loans made, executed or originated by persons referred to in paragraph (1) or (2) or assist or facilitate such transactions.

The requirements of this subsection shall apply to all ordinances, resolutions and regulations pertaining to financial or lending activities, including any ordinances, resolutions or regulations disqualifying persons from doing business with a political subdivision based upon financial or lending activities or imposing reporting requirements or any other obligations upon persons regarding financial or lending activities.

(b) Corporate powers.--Nothing in this chapter shall be deemed to limit the corporate powers of incorporated institutions or their subsidiaries subject to the act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965, or to impose conditions, limitations or restrictions upon the exercise of such powers contrary to the provisions of section 201 of the Banking Code of 1965.

(c) Preemption.--Any provision of this chapter preempted by Federal law with respect to a national bank or Federal savings association shall not apply to the same extent to an operating subsidiary of a national bank or Federal savings association which satisfies the requirements for operating subsidiaries established in 12 CFR § 5.34 (relating to operating subsidiaries) or 559.3 (relating to what are the characteristics of, and what requirements apply to, subordinate organizations of Federal savings associations).

(d) Interpretation.--The provisions of this chapter shall be interpreted and applied to the fullest extent practical in

a manner consistent with applicable Federal laws and regulations, policies and orders of Federal regulatory agencies and shall not be deemed to constitute an attempt to override Federal law.

(504 added June 25, 2001, P.L.621, No.55)

SUBCHAPTER B  
PROTECTION OF OBLIGORS

(Subch. B added June 25, 2001, P.L.621, No.55)

Section 511. Limitations on covered loan terms.

(a) Limitation of balloon payment.--No covered loan may contract for a scheduled payment that is more than twice as large as the average of earlier scheduled monthly payments unless such balloon payment becomes due and payable not less than 120 months after the date of the loan. This prohibition does not apply when the payment scheduled is adjusted to account for the seasonal or irregular income of the obligor or if the purpose of the loan is a bridge loan connected with or related to the acquisition or construction of a dwelling intended to become the obligor's principal dwelling.

(b) No call provision.--No covered loan may contain a call provision that permits the lender in its sole discretion to accelerate the indebtedness. This prohibition does not apply when repayment of the loan has been accelerated:

- (1) by default;
- (2) pursuant to a due-on-sale provision;
- (3) where there is fraud or material misrepresentation by an obligor in connection with the loan; or
- (4) where there is any action or inaction by the obligor that adversely affects the lender's security for the loan or any rights of the lender in such security.

(c) No negative amortization.--Except for loans to obligors with gross income in excess of 150% of median family income, no covered loan may contract for a payment schedule with regular periodic payments that cause the principal balance to increase. This subsection shall not prohibit negative amortization as a consequence of a temporary forbearance or restructure consented to by the obligor.

(d) No increased interest rate upon default.--No covered loan may contract for any increase in the interest rate as a result of a default. This provision shall not apply to periodic interest rate changes in a variable rate loan otherwise consistent with the provisions of the loan agreement provided the change in the interest rate is not occasioned by the event of default or permissible acceleration of the indebtedness.

(e) No advance payments.--No covered loan may include terms under which any periodic payments required under the loan are paid in advance from the loan proceeds.

(f) Limitations on prepayment fees.--The following limitation on prepayment fees shall be observed:

- (1) A prepayment fee or penalty shall be permitted only during the first 60 months after the date of execution of a covered loan.
- (2) A lender shall not include a prepayment fee in a covered loan unless it also makes available a loan product without a prepayment fee.
- (3) No prepayment fee or penalty may be charged on a refinancing of a covered loan with a covered loan if the covered loan being refinanced is owned by the refinancing lender at the time of such refinancing.

(511 added June 25, 2001, P.L.621, No.55)

Section 512. Restricted acts and practices.

(a) No lending without cautionary notice.--A lender may not make a covered loan unless the lender or a mortgage broker has given the following notice, or substantially similar notice, in writing to the obligor not later than the time the notice is required under the notice provision contained in 12 CFR 226.31(c) (relating to general rules) as amended from time to time:

NOTICE TO BORROWER

If you obtain this loan, the lender will have a mortgage on your home. You could lose your home and any money you put into it if you do not meet your obligations under the loan.

Mortgage loan rates and closing costs and fees vary based on many factors, including your particular credit and financial circumstances, your employment history, the loan-to-value requested and the type of property that will secure your loan. The loan rate and fees could also vary based on which lender or broker you select. As an obligor, you should shop around and compare loan rates and fees.

You should also consider consulting a qualified independent credit counselor or other experienced financial advisor regarding the rate, fees and provisions of this mortgage loan before you proceed. A list of qualified counselors is available by contacting the Pennsylvania Housing Finance Agency.

You are not required to complete this loan agreement merely because you have received these disclosures or have signed a loan application.

Remember, property taxes and homeowner's insurance are your responsibility. Not all lenders provide escrow services for these payments. You should ask your lender about these services.

Also, your payments on existing debts contribute to your credit ratings. You should not accept any advice to ignore your regular payments to your existing creditors.

Provision of a consumer information pamphlet or other publication prepared by the Office of Consumer Protection of the Office of Attorney General regarding covered loans shall be deemed to constitute a substantially similar notice.

(b) No lending without due regard to repayment ability.--A lender shall not engage in a pattern or practice of making covered loans based on the consumer's collateral without regard to the consumer's repayment ability, including, but not limited to, the consumer's current and expected income, current obligations as disclosed to the lender by the loan application and the consumer's credit report, employment status and other financial resources other than the obligor's equity in the dwelling which secures repayment of the loan. An obligor shall be presumed to be able to make the scheduled payments to repay the obligation if, at the time the loan is consummated, the obligor's scheduled monthly payments as disclosed to the lender by the loan application and the consumer's credit report do not exceed 50% of the obligor's monthly gross income. For purposes of determining median income, the income of all obligors shall be considered. The requirements of this subsection shall apply only to obligors whose income, as reported on the loan application, is no greater than 120% of the median family income. No presumption shall arise that an obligor is not able to make the scheduled payments if the obligor's scheduled monthly payments exceed 50% of the obligor's monthly gross income as determined pursuant to this subsection.

(c) Refinancing of existing covered loan with a new covered loan.--A lender may not charge any points in connection with a covered loan if the proceeds of the covered loan are used to

refinance an existing covered loan held by the lender and the last financing was within one year of the current refinancing; provided, however, this provision shall not prohibit a lender from charging points in connection with any additional proceeds paid to or for the account of the obligor, other than charges or costs attributable to the covered loan, in connection with the refinancing. For purposes of this subsection, additional proceeds shall be defined as the amount over and above the current principal balance of the existing covered loan; provided, however, in the event the lender refunds all the points on the covered loan being refinanced, the additional proceeds shall be the principal balance of the new covered loan.

(d) No refinancing of certain low-rate loans.--A lender shall not replace or consolidate a zero interest rate or low-rate loan made by a governmental or nonprofit lender with a covered loan within the first ten years of the zero interest or low-rate loan unless the current holder of the loan consents in writing to the financing. For purposes of this subsection, a low-rate loan shall be defined as a loan that carries a current interest rate two percentage points or more below the current yield on United States Treasury securities with a comparable maturity.

(e) Restrictions on covered loan proceeds to pay home improvement contracts.--A lender shall not pay a contractor under a home improvement contract from the proceeds of a covered loan other than by an instrument payable to the obligor or jointly to the obligor and the contractor or, at the election of the obligor, through a third-party escrow agent in accordance with terms established in a written agreement signed by the obligor, the lender and the contractor prior to the disbursement of funds to the contractor.

(f) Restrictions on single premium credit insurance.--A lender shall not sell any individual or group credit life, accident and health or unemployment insurance product on a prepaid single premium basis in conjunction with a covered loan unless the following conditions are met:

(1) After the expiration of 18 months from the date of enactment of this chapter and for an additional six-month period that may be necessary in order to secure any necessary approvals for a monthly premium credit insurance product by the Insurance Department, if a lender offers any individual or group credit life, accident and health and unemployment insurance products purchased on a prepaid single premium basis in conjunction with a covered loan, the lender shall offer the obligor the option of purchasing all such insurance on a monthly premium basis.

(2) A lender shall not sell credit life, accident and health or unemployment insurance products in conjunction with a covered loan other than where the insurance premiums are calculated, earned and paid on a monthly or other regular periodic basis without providing a separate disclosure with a copy acknowledged by the insured no later than the time of closing in a form substantially similar to the following:

INSURANCE NOTICE TO BORROWER(S)

You have elected to purchase credit life, accident and health and/or unemployment insurance in conjunction with this mortgage loan. The cost of this insurance is being prepaid and financed at the interest rate provided for in the loan.

This insurance is NOT required as a condition of closing this loan and has been included with the loan at your request.



At any time you have the right to cancel any or all such policies purchased in conjunction with this loan. You may cancel your policy or policies by signing and returning a copy of this notice to your lender or you may contact your lender directly.

If you cancel your insurance within 30 days of the date of your loan, then you will receive either a full refund or a credit against your loan account. If you cancel your insurance at any other time, you will receive either a refund or credit against your loan account of any unearned premium.

YOU MUST CANCEL WITHIN 30 DAYS OF THE DATE OF THE LOAN TO RECEIVE A FULL REFUND.

#### CREDIT INSURANCE CANCELLATION

I (we) request that the lender cancel the \_\_\_\_\_ insurance that I (we) purchased in conjunction with my (our) mortgage loan dated \_\_\_\_\_.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

#### ACKNOWLEDGMENT OF RECEIPT

I (we) acknowledge receipt of the above notice.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

(3) If an obligor elects to cancel, within 30 days of the date of the covered loan, any individual or group credit life, accident and health or unemployment insurance product purchased on prepaid single premium basis in conjunction with a covered loan, the lender or the insurance company who sold the insurance or the insurance company providing the product shall give the obligor either a full premium refund or a full premium credit against the unpaid loan balance. If the obligor elects to cancel any individual or group credit insurance purchased in conjunction with a covered loan at any other time, the refund or credit shall be computed as provided or permitted by State law. The lender or insurance company shall decide whether the return of premium shall be by means of credit to the account or by refund to the obligor.

This subsection shall not apply to credit life, accident, health and unemployment insurance sold by the lender for which the obligor chooses the primary beneficiary.

(512 added June 25, 2001, P.L.621, No.55)

Section 513. Additional requirements.

(a) Reporting to credit bureaus.--A lender or its servicer shall report at least quarterly both the favorable and unfavorable payment history information of the obligor on payments due to the lender on a covered loan to a nationally recognized consumer credit reporting agency. This subsection shall not prevent a lender or its servicer from agreeing with the obligor not to report payment history information in the event of a resolved or unresolved dispute with an obligor and shall not apply to covered loans held or serviced by a lender for less than 90 days.

(b) Verification of broker licensure.--A lender shall verify that each mortgage broker with whom it does business in connection with covered loans holds a license or other authorization currently in effect to do business within this Commonwealth.

(513 added June 25, 2001, P.L.621, No.55)

#### SUBCHAPTER C

#### ENFORCEMENT AND CIVIL LIABILITY

(Subch. C added June 25, 2001, P.L.621, No.55)

## Section 521. Enforcement.

(a) Enforcement.--The department may conduct examinations and investigations and issue subpoenas and orders to enforce the provisions of this chapter as provided by the act of May 15, 1933 (P.L.565, No.111), known as the Department of Banking Code, and with respect to a person licensed or subject to the following acts:

(1) Act of April 8, 1937 (P.L.262, No.66), known as the Consumer Discount Company Act.

(2) Act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965.

(3) Act of December 14, 1967 (P.L.746, No.345), known as the Savings Association Code of 1967.

(4) Act of December 12, 1980 (P.L.1179, No.219), known as the Secondary Mortgage Loan Act.

(5) Act of December 22, 1989 (P.L.687, No.90), known as the Mortgage Bankers and Brokers Act.

(6) 17 Pa.C.S. (relating to credit unions).

(b) Examinations and reports.--The department may examine any instrument, document, account, book, record or file of a person originating or brokering a covered loan under this chapter. The department may recover the cost of such examinations from the person. A person originating or brokering covered loans shall maintain its records in a manner that will facilitate the department determining whether the person is complying with the provisions of this chapter and the regulations promulgated under this chapter. The department may require the submission of reports by persons originating or brokering covered loans which shall set forth such information as the department may require.

(c) Subpoena.--In the event that a person fails to comply with a subpoena for documents or testimony issued by the department, the department may request an order from the Commonwealth Court requiring the person to produce the requested information.

(d) Administrative penalties.--If the department determines that a person has violated the provisions of this chapter, the department may do any combination of the following that it deems appropriate:

(1) Impose a civil penalty of up to \$2,000 for each offense. The department may require the person to pay investigative costs, if any.

(2) Suspend, revoke or refuse to renew any license issued by the department.

(3) Prohibit or permanently remove an individual responsible for a violation of this chapter from working in his or her present capacity or in any other capacity related to activities regulated by the department.

(4) Order a person to cease and desist any violation of this chapter and to make restitution for actual damages to obligors.

(5) Impose such other conditions as the department deems appropriate.

(e) Hearings.--Any person aggrieved by a decision of the department and which has a direct interest in the decision may appeal the decision of the department to the Secretary of Banking. The appeal shall be conducted in accordance with 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies).

(f) Injunctions.--The department may maintain an action for an injunction or other process against any person to restrain

and prevent the person from engaging in any activity violating this chapter.

(g) Final orders.--A decision of the Secretary of Banking shall be a final order of the department and shall be enforceable in a court of competent jurisdiction. The department shall publish the final adjudication issued in accordance with this section, subject to redaction or modification to preserve confidentiality.

(h) Appeals.--Any person aggrieved by a decision of the Secretary of Banking and which has a direct interest in the decision may appeal the decision in accordance with 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action).

(521 added June 25, 2001, P.L.621, No.55)

Section 522. Civil liability.

(a) Damages for material violations.--If a lender purposefully engages in a pattern or practice of material violations of this chapter, an obligor on a covered loan may initiate a civil action to recover damages.

(b) Exclusive remedies.--The remedies provided in this subchapter shall be the sole and exclusive remedies for any violation of any provision of this chapter. Persons engaged in the purchase, sale, assignment, securitization or servicing of covered loans shall not be held liable for the action or inactions of persons originating such loans.

(522 added June 25, 2001, P.L.621, No.55)

Section 523. Information sharing.

The department may divulge documentary or other information pertaining to enforcement of this chapter to Federal or State banking regulatory agencies or Commonwealth agencies as may be necessary or appropriate for the enforcement of this chapter, as determined by the discretion of the Secretary of Banking. The department may enter into such information sharing agreements or other types of regulatory agreements with other Federal and State banking regulatory agencies as may be reasonably necessary or appropriate for the enforcement of this chapter, as determined by the discretion of the Secretary of Banking.

(523 added June 25, 2001, P.L.621, No.55)

Section 524. Regulations.

The department may promulgate regulations and statements of policy for the enforcement of this chapter, including regulations establishing rules of procedure for the conduct of hearings pursuant to this subchapter and standards to govern the imposition of civil penalties.

(524 added June 25, 2001, P.L.621, No.55)

## CHAPTER 31 MISCELLANEOUS PROVISIONS

(Ch. 31 hdg. added June 25, 2001, P.L.621, No.55)

Section 3101. Effective date.

This act shall take effect as follows:

(1) Sections 310(a) and (b) and 311(b) and (c) shall take effect immediately.

(2) The remainder of this act shall take effect in 180 days.

(3101 renumbered from 19 and amended June 25, 2001, P.L.621, No.55)