

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 3027 Session of
1992

INTRODUCED BY MURPHY, STABACK, ULIANA, SALOOM, DeLUCA, JOSEPHS,
GEIST, DERMODY AND GIGLIOTTI, NOVEMBER 17, 1992

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
NOVEMBER 17, 1992

AN ACT

1 Amending the act of January 30, 1974 (P.L.13, No.6), entitled
2 "An act regulating agreements for the loan or use of money;
3 establishing a maximum lawful interest rate in the
4 Commonwealth; providing for a legal rate of interest;
5 detailing exceptions to the maximum lawful interest rate for
6 residential mortgages and for any loans in the principal
7 amount of more than fifty thousand dollars and Federally
8 insured or guaranteed loans and unsecured, noncollateralized
9 loans in excess of thirty-five thousand dollars and business
10 loans in excess of ten thousand dollars; providing
11 protections to debtors to whom loans are made including the
12 provision for disclosure of facts relevant to the making of
13 residential mortgages, providing for notice of intention to
14 foreclose and establishment of a right to cure defaults on
15 residential mortgage obligations, provision for the payment
16 of attorney's fees with regard to residential mortgage
17 obligations and providing for certain interest rates by banks
18 and bank and trust companies; clarifying the substantive law
19 on the filing of and execution on a confessed judgment;
20 prohibiting waiver of provisions of this act, specifying
21 powers and duties of the Secretary of Banking, and
22 establishing remedies and providing penalties for violations
23 of this act," further defining "residential mortgage."

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

26 Section 1. The definition of "residential mortgage" in
27 section 101 of the act of January 30, 1974 (P.L.13, No.6),
28 referred to as the Loan Interest and Protection Law, amended

1 April 6, 1979 (P.L.15, No.4), is amended to read:

2 Section 101. Definitions.--As used in this act:

3 * * *

4 "Residential mortgage" means an obligation to pay a sum of
5 money [in an original bona fide principal amount of fifty
6 thousand dollars (\$50,000) or less,] evidenced by a security
7 document and secured by a lien upon real property located within
8 this Commonwealth containing two or fewer residential units or
9 on which two or fewer residential units are to be constructed
10 and shall include such an obligation on a residential
11 condominium unit.

12 * * *

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