

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 306

Session of
1981

INTRODUCED BY LOEPER AND LLOYD, FEBRUARY 10, 1981

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
FEBRUARY 2, 1982

AN ACT

1 Amending the act of October 28, 1966 (1st Sp.Sess., P.L.55,
2 No.7), entitled "An act defining, regulating and relating to
3 retail installment contracts for all goods and services
4 except certain motor vehicles and home improvements;
5 prescribing the requirements of such contracts and
6 limitations on the enforcement thereof; and providing
7 remedies and penalties," FURTHER PROVIDING FOR APPLICABILITY <—
8 OF THE ACT, FOR THE CONTENTS OF CONTRACTS, FOR A CERTAIN
9 NOTICE OF CLAIMS OR DEFENSES, FOR JUDGMENTS, FOR SERVICE
10 CHARGES AND CERTAIN FEES AND eliminating the duty of the
11 Department of Banking to supply rate charts to retail sellers
12 and finance agencies.

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

15 ~~Section 1. Section 1002, act of October 28, 1966 (1st~~ <—
16 ~~Sp.Sess., P.L.55, No.7), known as the "Goods and Services~~
17 ~~Installment Sales Act," is amended to read:~~

18 ~~{Section 1002. The Department of Banking of the Commonwealth~~
19 ~~of Pennsylvania shall supply upon request to each retail seller~~
20 ~~and financing agency, engaged in the extension of credit, a rate~~
21 ~~chart with principal balances of from one dollar (\$1) to one~~

1 ~~thousand dollars (\$1,000) for installment periods from three (3)~~
2 ~~months to thirty six (36) months and for principal balances of~~
3 ~~from one dollar (\$1) to two hundred fifty dollars (\$250) for~~
4 ~~installment periods of from ten (10) weeks to twenty six (26)~~
5 ~~weeks calculated at the maximum service charge rates permitted~~
6 ~~under this act.]~~

7 ~~Section 2. This act shall take effect immediately.~~

8 SECTION 1. ~~SECTIONS 303, 402, 501, 904, CLAUSE (D) OF~~ <—
9 ~~SECTION 905 AND SECTION 1002,~~ THE ACT OF OCTOBER 28, 1966 (1ST
10 SP.SESS., P.L.55, NO.7), KNOWN AS THE "GOODS AND SERVICES
11 INSTALLMENT SALES ACT," ~~ARE AMENDED AND SECTIONS ARE ADDED IS~~ <—
12 AMENDED BY ADDING A SECTION TO READ:

13 SECTION 104. APPLICATION.--NOTWITHSTANDING ANY OTHER ACT, <—
14 THIS ACT SHALL EXCLUSIVELY GOVERN AND REGULATE THE TERMS AND
15 CONDITIONS OF ALL EXTENSIONS OF CREDIT BY THE MEANS OF CREDIT
16 CARDS OR CREDIT CARD OPERATIONS FOR THE PURCHASE OF GOODS AND
17 SERVICES WITHIN THIS COMMONWEALTH BUT EXCLUDING CASH ADVANCES.

18 SECTION 2. CLAUSE (6) OF SECTION 201 OF THE ACT IS AMENDED <—
19 AND CLAUSES ARE ADDED TO READ:

20 SECTION 201. UNLESS THE CONTEXT OR SUBJECT MATTER OTHERWISE
21 REQUIRES, THE DEFINITIONS GIVEN IN THIS ARTICLE GOVERN THE
22 CONSTRUCTION OF THIS ACT.

23 * * *

24 (6) "RETAIL INSTALLMENT CONTRACT" OR "CONTRACT" MEANS ANY
25 CONTRACT FOR A RETAIL INSTALLMENT SALE BETWEEN A BUYER AND A
26 SELLER WHICH PROVIDES FOR REPAYMENT IN INSTALLMENTS, WHETHER OR
27 NOT SUCH CONTRACT CONTAINS A TITLE RETENTION PROVISION, AND IN
28 WHICH A TIME PRICE DIFFERENTIAL IS COMPUTED UPON AND ADDED TO
29 THE UNPAID BALANCE AT THE TIME OF SALE OR WHERE NO TIME PRICE
30 DIFFERENTIAL IS ADDED BUT THE GOODS OR SERVICES ARE AVAILABLE AT

1 A LESSER PRICE IF PAID BY CASH OR WHERE THE BUYER, IF HE HAD
2 PAID CASH, WOULD HAVE RECEIVED ANY ADDITIONAL GOODS OR SERVICES
3 OR ANY HIGHER QUALITY GOODS OR SERVICES AT NO ADDED COST OVER
4 THE TOTAL AMOUNT HE PAYS IN INSTALLMENTS. WHEN TAKEN OR GIVEN IN
5 CONNECTION WITH A RETAIL INSTALLMENT SALE, THE TERM INCLUDES BUT
6 IS NOT LIMITED TO A SECURITY AGREEMENT AND A CONTRACT FOR THE
7 BAILMENT OR LEASING OF GOODS BY WHICH THE BAILEE OR LESSEE
8 CONTRACTS TO PAY AS COMPENSATION FOR THEIR USE A SUM
9 SUBSTANTIALLY EQUIVALENT TO OR IN EXCESS OF THEIR VALUE AND BY
10 WHICH IT IS AGREED THAT THE BAILEE OR LESSEE IS BOUND TO BECOME,
11 OR HAS THE OPTION OF BECOMING, THE OWNER OF THE GOODS UPON FULL
12 COMPLIANCE WITH THE TERMS OF THE CONTRACT. THE TERM ALSO
13 INCLUDES ANY CONTRACT, OBLIGATION OR AGREEMENT IN THE FORM OF
14 BAILMENT OR LEASE IF THE BAILEE OR LESSEE HAS THE OPTION TO
15 RENEW THE CONTRACT BY MAKING THE PAYMENTS SPECIFIED IN THE
16 CONTRACT, THE CONTRACT OBLIGATES THE BAILOR OR LESSOR TO
17 TRANSFER OWNERSHIP OF THE PROPERTY TO THE BAILEE OR LESSEE FOR
18 NO OTHER OR A NOMINAL CONSIDERATION UPON FULL COMPLIANCE BY THE
19 BAILEE OR LESSEE WITH HIS OBLIGATIONS UNDER THE CONTRACT,
20 INCLUDING ANY OBLIGATION INCURRED WITH RESPECT TO THE EXERCISE
21 OF AN OPTION BY THE BAILEE OR LESSEE TO RENEW THE CONTRACT, AND
22 THE PAYMENTS CONTRACTED FOR BY BAILEE OR LESSEE, INCLUDING THOSE
23 PAYMENTS PURSUANT TO THE EXERCISE OF AN OPTION BY THE BAILEE OR
24 LESSEE TO RENEW THE CONTRACT, ARE SUBSTANTIALLY EQUIVALENT TO OR
25 IN EXCESS OF THE AGGREGATE VALUE OF THE PROPERTY AND SERVICES
26 INVOLVED. WITH RESPECT TO A SALE DESCRIBED IN THE PREVIOUS
27 SENTENCE, THE DISCLOSURES REQUIRED UNDER THIS TITLE SHALL BE
28 CALCULATED ON THE ASSUMPTION THAT THE BAILEE OR LESSEE WILL
29 EXERCISE ALL OF HIS OPTIONS TO RENEW THE CONTRACT, MAKE ALL
30 PAYMENTS SPECIFIED IN THE CONTRACT, AND BECOME THE OWNER OF THE

1 PROPERTY INVOLVED.

2 * * *

3 (17) "PURCHASE MONEY LOAN" MEANS A CASH ADVANCE WHICH IS <—
4 RECEIVED BY A CUSTOMER IN RETURN FOR A SERVICE CHARGE, TIME-
5 PRICE DIFFERENTIAL, FINANCE CHARGE OR INTEREST WHICH IS APPLIED,
6 IN WHOLE OR SUBSTANTIAL PART, TO A PURCHASE OF GOODS OR SERVICES
7 FROM A SELLER WHO IS AFFILIATED WITH THE CREDITOR BY COMMON
8 CONTROL OR BUSINESS ARRANGEMENT.

9 (18) "PURCHASE MONEY LENDER" MEANS ANY CREDITOR OR FINANCING
10 AGENCY WHO MAKES OR EXTENDS PURCHASE MONEY LOANS.

11 SECTION 3. SECTION 303 OF THE ACT IS AMENDED TO READ:

12 SECTION 303. EXCEPT AS PROVIDED IN ARTICLE VIII OF THIS ACT,
13 A CONTRACT SHALL CONTAIN THE FOLLOWING:

14 (A) THE NAMES OF THE SELLER AND THE BUYER, THE PLACE OF
15 BUSINESS OF THE SELLER, THE RESIDENCE OR PLACE OF BUSINESS OF
16 THE BUYER AS SPECIFIED BY THE BUYER AND A DESCRIPTION OF THE
17 GOODS OR SERVICES SUFFICIENT TO IDENTIFY THEM. SERVICES OR
18 MULTIPLE ITEMS OF GOODS MAY BE DESCRIBED IN GENERAL TERMS AND
19 MAY BE DESCRIBED IN DETAIL SUFFICIENT TO IDENTIFY THEM IN A
20 SEPARATE WRITING.

21 (B) THE CASH SALE PRICE OF THE GOODS, SERVICES AND
22 ACCESSORIES WHICH ARE THE SUBJECT MATTER OF THE RETAIL
23 INSTALLMENT SALE.

24 (C) THE AMOUNT OF THE BUYER'S DOWN PAYMENT, ITEMIZING THE
25 AMOUNTS PAID IN MONEY AND IN GOODS AND CONTAINING A BRIEF
26 DESCRIPTION OF THE GOODS, IF ANY, TRADED IN.

27 (D) THE DIFFERENCE BETWEEN ITEM (B) AND ITEM (C).

28 (E) THE AMOUNT, IF ANY, INCLUDED FOR INSURANCE, SPECIFYING
29 THE COVERAGES AND THE COST OF EACH TYPE OF COVERAGE.

30 (F) THE AMOUNT, IF ANY, OF OFFICIAL FEES.

1 (G) THE UNPAID BALANCE, WHICH IS THE SUM OF ITEMS (D), (E)
2 AND (F).

3 (H) THE AMOUNT OF THE SERVICE CHARGE, IF ANY.[, AND THE
4 FOLLOWING STATEMENT IN AT LEAST TEN-POINT BOLD TYPE: "THE
5 SERVICE CHARGE HEREIN CONTAINED DOES NOT EXCEED THE EQUIVALENT
6 OF FIFTEEN PERCENT (15%) SIMPLE INTEREST PER ANNUM ON THE UNPAID
7 BALANCE, EXCEPT THAT A MINIMUM SERVICE CHARGE OF SEVENTY CENTS
8 (70¢) PER MONTH MAY BE MADE."] NO SERVICE CHARGE SHALL BE <—
9 COMPUTED ON ANY PURCHASE UNTIL THE END OF THE CURRENT BILLING
10 CYCLE.

11 (I) THE TIME BALANCE, WHICH IS THE SUM OF ITEMS (G), AND
12 (H), PAYABLE BY THE BUYER TO THE SELLER, THE NUMBER OF
13 INSTALLMENTS REQUIRED, THE AMOUNT OF EACH INSTALLMENT EXPRESSED
14 IN DOLLARS AND THE DUE DATE OR PERIOD THEREOF.

15 (J) THE TIME SALE PRICE.

16 (K) THE FOLLOWING PROVISION IN AT LEAST TEN-POINT, BOLDFACE
17 TYPE:

18 NOTICE

19 ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL
20 CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE
21 SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE
22 PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT
23 EXCEED AMOUNT PAID BY THE DEBTOR HEREUNDER.

24 THE ITEMS NEED NOT BE STATED IN THE SEQUENCE OR ORDER SET
25 FORTH ABOVE; ADDITIONAL ITEMS MAY BE INCLUDED TO EXPLAIN THE
26 COMPUTATIONS MADE IN DETERMINING THE AMOUNT TO BE PAID BY THE
27 BUYER.

28 SECTION 4. THE INTRODUCTORY PARAGRAPH OF SECTION 401 OF THE <—
29 ACT IS AMENDED AND CLAUSES ARE ADDED TO READ:

30 SECTION 401. NO CONTRACT, [OR] OBLIGATION OR AGREEMENT SHALL

1 CONTAIN ANY PROVISION BY WHICH:

2 * * *

3 (J) THE SELLER OR HOLDER OF THE CONTRACT OR ANY PERSON
4 ACTING ON HIS BEHALF IS GIVEN AUTHORITY TO EXECUTE UPON A
5 JUDGMENT BY CONFESSION.

6 (K) THE SELLER OR HOLDER OF THE CONTRACT OR ANY PERSON
7 ACTING ON HIS BEHALF IS GIVEN AUTHORITY TO TAKE A MORTGAGE OR
8 OTHER SECURITY AGAINST RESIDENTIAL REAL ESTATE OF THE BUYER OR
9 ANY OTHER OBLIGEE TO THE CONTRACT.

10 SECTION 5. SECTIONS 402, 501 AND 603 OF THE ACT ARE AMENDED
11 TO READ:

12 SECTION 402. NO RIGHT OF ACTION OR DEFENSE ARISING OUT OF A
13 RETAIL INSTALLMENT SALE WHICH THE BUYER HAS AGAINST THE SELLER,
14 OTHER THAN AS PROVIDED IN SECTION 1202, AND WHICH WOULD BE CUT
15 OFF BY ASSIGNMENT, SHALL BE CUT OFF BY ASSIGNMENT OF THE
16 CONTRACT TO ANY THIRD PARTY WHETHER OR NOT HE ACQUIRES THE
17 CONTRACT IN GOOD FAITH AND FOR VALUE. [UNLESS THE ASSIGNEE GIVES
18 NOTICE OF THE ASSIGNMENT TO THE BUYER AS PROVIDED IN THIS
19 SECTION, AND WITHIN FORTY-FIVE (45) DAYS OF THE MAILING OF SUCH
20 NOTICE RECEIVES NO WRITTEN NOTICE OF THE FACTS GIVING RISE TO
21 THE CLAIM OR DEFENSE OF THE BUYER. A NOTICE OF ASSIGNMENT SHALL
22 BE IN WRITING ADDRESSED TO THE BUYER AT THE ADDRESS SHOWN ON THE
23 CONTRACT AND SHALL: IDENTIFY THE CONTRACT; STATE THE NAME OF THE
24 SELLER AND BUYER; DESCRIBE THE GOODS OR SERVICES; STATE THE TIME
25 BALANCE AND THE NUMBER AND AMOUNTS OF THE INSTALLMENTS. THE
26 NOTICE OF ASSIGNMENT SHALL CONTAIN THE FOLLOWING WARNING TO THE
27 BUYER:

28 "YOU HAVE FORTY-FIVE (45) DAYS WITHIN WHICH TO NOTIFY US OF
29 ANY CLAIMS OR DEFENSES WHICH YOU MAY HAVE AGAINST THE SELLER. IF
30 YOU HAVE ANY COMPLAINTS OR OBJECTIONS TO MAKE, YOU SHOULD NOTIFY

1 USE AT THIS TIME."]

2 NO PURCHASE MONEY LENDER SHALL TAKE OR RECEIVE ANY INSTRUMENT <—
3 WHICH EVIDENCES OR EMBODIES A DEBT ARISING FROM A PURCHASE MONEY
4 LOAN NOR SHALL ANY SELLER ACCEPT AS FULL OR PARTIAL PAYMENT FOR
5 SUCH SALE THE PROCEEDS OF ANY PURCHASE MONEY LOAN, UNLESS ANY
6 INSTRUMENT WHICH EVIDENCES OR EMBODIES A DEBT MADE IN CONNECTION
7 WITH SUCH PURCHASE MONEY LOAN CONTAINS THE FOLLOWING PROVISION
8 IN AT LEAST TEN-POINT BOLD FACE TYPE:

9 NOTICE

10 ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO
11 ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST
12 THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS
13 HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED
14 AMOUNT PAID BY THE DEBTOR HEREUNDER.

15 SECTION 501. (A) A SELLER MAY, IN A RETAIL INSTALLMENT
16 CONTRACT, CONTRACT FOR AND, IF SO CONTRACTED FOR, THE HOLDER
17 THEREOF MAY CHARGE, RECEIVE AND COLLECT A SERVICE CHARGE [WHICH
18 SHALL NOT EXCEED THE FOLLOWING RATES MULTIPLIED BY THE NUMBER OF
19 MONTHS, INCLUDING ANY FRACTION IN EXCESS OF MORE THAN FIFTEEN
20 DAYS AS ONE MONTH, ELAPSING] MEASURED FOR A PERIOD BETWEEN THE
21 DATE OF SUCH CONTRACT AND THE DUE DATE OF THE LAST INSTALLMENT[:

22 (A) ON THE UNPAID BALANCE, TWO-THIRDS (2/3) OF ONE PERCENT
23 (1%).

24 (B) A SERVICE CHARGE SHALL NOT EXCEED THE EQUIVALENT OF
25 FIFTEEN PERCENT (15%) SIMPLE INTEREST PER ANNUM ON THE UNPAID
26 BALANCE] AND CALCULATED FOR THAT PERIOD ACCORDING TO THE
27 ACTUARIAL METHOD OF COMPUTATION OR BY APPLICATION OF THE UNITED
28 STATES RULE AT A RATE WHICH DOES NOT EXCEED THE EQUIVALENT OF
29 EIGHTEEN PERCENT (18%) SIMPLE INTEREST PER ANNUM.

30 (B) NOTWITHSTANDING THE RATES PROVIDED FOR IN THIS SECTION,

1 NO ISSUER OF A CREDIT CARD PRIMARILY ENGAGED AS A SELLER OR
2 DISTRIBUTOR OF GASOLINE SHALL BE PERMITTED TO CHARGE, RECEIVE OR
3 COLLECT A SERVICE CHARGE IN EXCESS OF FIFTEEN PERCENT (15%)
4 SIMPLE INTEREST PER ANNUM ON UNPAID BALANCES.

5 (C) A MINIMUM SERVICE CHARGE OF SEVENTY CENTS (70¢) PER
6 MONTH MAY BE MADE FOR EACH MONTH IF THE SERVICE CHARGE SO
7 COMPUTED IS LESS THAN THAT AMOUNT; SUCH MINIMUM SERVICE CHARGE
8 MAY BE IMPOSED FOR A MINIMUM PERIOD OF SIX MONTHS.

9 SECTION 603. (A) NOTWITHSTANDING THE PROVISIONS OF ANY <—
10 CONTRACT TO THE CONTRARY, ANY BUYER MAY PAY THE CONTRACT IN FULL
11 AT ANY TIME BEFORE MATURITY AND IN SO PAYING IT SHALL RECEIVE A
12 REFUND CREDIT THEREON FOR SUCH ANTICIPATION. IN ADDITION,
13 PURSUANT TO ANY CONTRACT PROVISION SO STATING AND SUBJECT TO THE
14 RESTRICTIONS OF THIS ACT, AS AMENDED, A SELLER OR HOLDER MAY
15 ACCELERATE THE BALANCE DUE ON AN INSTALLMENT SALES CONTRACT,
16 BUT SHALL PROVIDE A REFUND CREDIT THEREON CALCULATED AS OF THE
17 DATE OF THE ACCELERATION. THE AMOUNT OF ANY SUCH REFUND CREDIT
18 SHALL [REPRESENT AT LEAST AS GREAT A PROPORTION OF THE SERVICE
19 CHARGE OR, IF THE CONTRACT HAS BEEN EXTENDED, DEFERRED OR
20 REFINANCED, OF THE ADDITIONAL CHARGE THEREFOR, AS THE SUM OF THE
21 PERIODIC MONTHLY TIME BALANCES UNDER THE SCHEDULE OF
22 INSTALLMENTS IN THE CONTRACT, OR, IF THE CONTRACT HAS BEEN
23 EXTENDED, DEFERRED OR REFINANCED, AS SO EXTENDED, DEFERRED OR
24 REFINANCED.] BE COMPUTED PURSUANT TO THE ACTUARIAL METHOD.
25 ACTUARIAL METHOD MEANS THE METHOD OF ALLOCATING PAYMENTS MADE ON
26 A DEBT BETWEEN THE AMOUNT FINANCED AND THE FINANCE CHARGE
27 PURSUANT TO WHICH A PAYMENT IS APPLIED FIRST TO THE ACCUMULATED
28 FINANCE CHARGE AND ANY REMAINDER IS SUBTRACTED FROM THE UNPAID
29 BALANCE OF THE AMOUNT FINANCED. WHERE THE AMOUNT OF THE CREDIT
30 FOR ANTICIPATION OF PAYMENT IS LESS THAN ONE DOLLAR (\$1) NO

1 REFUND NEED BE MADE. WHERE THE EARNED SERVICE CHARGE AMOUNTS TO
2 LESS THAN THE MINIMUM SERVICE CHARGE, THERE MAY BE RETAINED AN
3 AMOUNT EQUAL TO THE MINIMUM SERVICE CHARGE APPLICABLE.

4 (B) AS USED IN THIS SECTION "ACTUARIAL METHOD" DEEMS THE
5 METHOD OF ALLOCATING PAYMENTS MADE ON A DEBT BETWEEN THE AMOUNT
6 FINANCED AND THE FINANCE CHARGE AT THE INTEREST RATE STATED IN
7 THE CONTRACT, AS DEFINED IN REGULATION Z, APPENDIX J, ADOPTED
8 UNDER THE FEDERAL TRUTH IN LENDING ACT.

9 SECTION 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

10 SECTION 605. (A) A JUDGMENT BY CONFESSION SHALL NOT SERVE
11 AS THE BASIS FOR A LEVY, EXECUTION OR GARNISHMENT IN ANY ACTION
12 BY A SELLER, HOLDER OR ASSIGNEE ARISING OUT OF A RETAIL
13 INSTALLMENT SALE, CONTRACT OR ACCOUNT. TO ENFORCE A JUDGMENT
14 ENTERED BY CONFESSION, PLAINTIFF SHALL FILE AN APPROPRIATE
15 PROCEEDING AND PROCEED AGAINST DEFENDANT AS IN ANY ORIGINAL
16 PROCEEDING. A JUDGMENT ENTERED BY CONFESSION MAY BE AMENDED OR
17 MODIFIED BY THE COURT IN A PROCEEDING FILED FOR THE PURPOSE OF
18 ENFORCING THE JUDGMENT ENTERED BY CONFESSION; HOWEVER, THE
19 PRIORITY OF ANY LIEN BASED ON THE CONFESSED JUDGMENT SHALL NOT
20 BE AFFECTED THEREBY. THE PARTIES TO THE ENFORCEMENT PROCEEDING
21 SHALL HAVE THE SAME RIGHTS AS PARTIES IN OTHER ORIGINAL
22 PROCEEDINGS.

23 (B) WITHIN SIXTY (60) DAYS AFTER PAYMENT OF THE FULL AMOUNT
24 DUE ON A JUDGMENT ENTERED BY CONFESSION, PLAINTIFF SHALL SATISFY
25 THE JUDGMENT AND DISCONTINUE WITH THE PREJUDICE ANY PROCEEDING
26 BROUGHT FOR THE PURPOSE OF ENFORCING A JUDGMENT ENTERED BY
27 CONFESSION OR SATISFY ANY JUDGMENT ENTERED IN SAID PROCEEDING.
28 PLAINTIFF SHALL NOT REQUIRE ANY ACT OR PAYMENT BY THE DEFENDANT
29 TO COVER THE COST OF SATISFYING THE JUDGMENT. ANY SUCH CONFESSED
30 JUDGMENT NOT REVIVED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH

1 THE LIEN OF SAID JUDGMENT HAS LAPSED BY OPERATION OF LAW SHALL
2 BE CONSIDERED SATISFIED AND MAY NOT THEREAFTER BE REVIVED.

3 (C) THE PREVAILING PARTY IN ANY ACTION TO REMOVE, SUSPEND OR
4 ENFORCE SUCH A JUDGMENT ENTERED BY CONFESSION SHALL BE ENTITLED
5 TO RECOVER REASONABLE ATTORNEY'S FEES AND COSTS AS DETERMINED BY
6 THE COURT.

7 SECTION 7. SECTION 904 AND CLAUSE (D) OF SECTION 905 OF THE <—
8 ACT ARE AMENDED TO READ:

9 SECTION 904. SUBJECT TO THE OTHER PROVISIONS OF THIS ARTICLE
10 THE SELLER OR HOLDER OF A RETAIL INSTALLMENT ACCOUNT MAY CHARGE,
11 RECEIVE AND COLLECT THE SERVICE CHARGE AUTHORIZED BY THIS ACT.
12 THE SERVICE CHARGE SHALL NOT EXCEED THE FOLLOWING RATES COMPUTED
13 ON THE OUTSTANDING BALANCES FROM MONTH TO MONTH:

14 (A) ON THE OUTSTANDING BALANCE, [ONE AND ONE-QUARTER PERCENT
15 (1 1/4%)] ONE AND ONE-HALF PERCENT (1 1/2%) PER MONTH.

16 (B) A MINIMUM SERVICE CHARGE OF SEVENTY CENTS (70¢) PER
17 MONTH MAY BE MADE FOR EACH MONTH IF THE SERVICE CHARGE SO
18 COMPUTED IS LESS THAN THAT AMOUNT; SUCH MINIMUM SERVICE CHARGE
19 MAY BE IMPOSED FOR A MINIMUM PERIOD OF SIX MONTHS.

20 (B.1) NOTWITHSTANDING THE RATE PROVIDED FOR IN CLAUSE (A),
21 NO ISSUER OF A CREDIT CARD PRIMARILY ENGAGED AS A SELLER OR
22 DISTRIBUTOR OF GASOLINE SHALL BE PERMITTED TO CHARGE, RECEIVE OR
23 COLLECT A SERVICE CHARGE IN EXCESS OF FIFTEEN PERCENT (15%)
24 SIMPLE INTEREST PER ANNUM ON UNPAID BALANCES.

25 (C) THE SERVICE CHARGE MAY BE COMPUTED ON A SCHEDULE OF
26 FIXED AMOUNTS IF AS SO COMPUTED IT IS APPLIED TO ALL AMOUNTS OF
27 OUTSTANDING BALANCES EQUAL TO THE FIXED AMOUNT MINUS A
28 DIFFERENTIAL OF NOT MORE THAN FIVE DOLLARS (\$5), PROVIDED THAT
29 IT IS ALSO APPLIED TO ALL AMOUNTS OF OUTSTANDING BALANCES EQUAL
30 TO THE FIXED AMOUNT PLUS AT LEAST THE SAME DIFFERENTIAL.

1 SECTION 905. THE SELLER OR HOLDER OF A RETAIL INSTALLMENT
2 ACCOUNT SHALL PROMPTLY PROVIDE THE BUYER WITH A STATEMENT AS OF
3 THE END OF EACH MONTHLY PERIOD (WHICH NEED NOT BE A CALENDAR
4 MONTH) SETTING FORTH THE FOLLOWING:

5 * * *

6 (D) THE AMOUNT OF THE SERVICE CHARGE[, AND THE FOLLOWING
7 STATEMENT: THE SERVICE CHARGE HEREIN CONTAINED DOES NOT EXCEED
8 THE EQUIVALENT OF FIFTEEN PERCENT (15%) SIMPLE INTEREST PER
9 ANNUM ON THE UNPAID BALANCE EXCEPT THAT A MINIMUM SERVICE CHARGE
10 OF SEVENTY CENTS (70¢) PER MONTH MAY BE MADE].

11 * * *

12 SECTION 8. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

13 SECTION 912. CONSISTENT WITH THE PROVISIONS OF THIS ACT, A
14 SELLER OR HOLDER MAY INCREASE THE RATE OF THE SERVICE CHARGE BY
15 PROVIDING THE BUYER WITH A NOTICE OF THE INCREASE TO THE EXTENT
16 REQUIRED AND IN THE MANNER SPECIFIED BY THE TRUTH IN LENDING
17 ACT, TITLE I OF THE FEDERAL CONSUMER CREDIT PROTECTION ACT
18 (PUBLIC LAW 90-321) AND THE REGULATIONS ISSUED PURSUANT THERETO
19 BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
20 (REGULATION Z) AS SUCH ACT AND REGULATIONS MAY FROM TIME TO TIME
21 BE AMENDED. ANY SUCH INCREASE SHALL BE LIMITED IN ITS
22 APPLICATION TO INDEBTEDNESS INCURRED AFTER THE EFFECTIVE DATE OF
23 THIS ACT.

24 ~~SECTION 913. COMPLIANCE WITH THE FEDERAL TRUTH IN LENDING~~ <—
25 ~~ACT AND REGULATIONS THEREUNDER SHALL CONSTITUTE COMPLIANCE WITH~~
26 ~~ALL DISCLOSURE REQUIREMENTS UNDER PENNSYLVANIA LAW RELATING TO~~
27 ~~TRANSACTIONS WITHIN THE COVERAGE OF THIS ACT.~~

28 ~~{SECTION 1002. THE DEPARTMENT OF BANKING OF THE COMMONWEALTH~~
29 ~~OF PENNSYLVANIA SHALL SUPPLY UPON REQUEST TO EACH RETAIL SELLER~~
30 ~~AND FINANCING AGENCY, ENGAGED IN THE EXTENSION OF CREDIT, A RATE~~

1 ~~CHART WITH PRINCIPAL BALANCES OF FROM ONE DOLLAR (\$1) TO ONE~~
2 ~~THOUSAND DOLLARS (\$1,000) FOR INSTALLMENT PERIODS FROM THREE (3)~~
3 ~~MONTHS TO THIRTY SIX (36) MONTHS AND FOR PRINCIPAL BALANCES OF~~
4 ~~FROM ONE DOLLAR (\$1) TO TWO HUNDRED FIFTY DOLLARS (\$250) FOR~~
5 ~~INSTALLMENT PERIODS OF FROM TEN (10) WEEKS TO TWENTY SIX (26)~~
6 ~~WEEKS CALCULATED AT THE MAXIMUM SERVICE CHARGE RATES PERMITTED~~
7 ~~UNDER THIS ACT.]~~

8 SECTION 9. SECTION 1002 OF THE ACT IS REPEALED.

9 SECTION 10. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

10 SECTION 1102. A SELLER OR HOLDER MAY NOT ACCELERATE THE
11 MATURITY OF A RETAIL INSTALLMENT CONTRACT, COMMENCE ANY LEGAL
12 ACTION OR REPOSSESS WITHOUT LEGAL PROCESS UNLESS THE BUYER IS IN
13 DEFAULT AND UNLESS THE SELLER OR HOLDER SHALL PROVIDE THE BUYER
14 WITH NOTICE, SENT BY CERTIFIED MAIL, TO THE BUYER'S LAST KNOWN
15 ADDRESS OR DELIVERED PERSONALLY TO THE RESIDENCE OF THE BUYER,
16 INFORMING THE BUYER (1) OF HIS RIGHT TO CURE THE DEFAULT UPON
17 PAYMENT OF THE AMOUNT IN DEFAULT PLUS DELINQUENCY OR DEFERRAL
18 CHARGES WITHIN TWENTY-ONE (21) DAYS OF THE DATE OF RECEIPT OF
19 SUCH NOTICE, (2) THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE
20 SELLER OR HOLDER, (3) TOTAL AMOUNT DUE, INCLUDING AMOUNT OF
21 DELINQUENCY CHARGES, (4) EXACT DATE BY WHICH THE AMOUNT DUE MUST
22 BE PAID, (5) NAME, ADDRESS AND TELEPHONE NUMBER OF THE PERSON TO
23 WHOM PAYMENT MUST BE MADE, AND (6) OTHER PERFORMANCE NECESSARY
24 TO CURE A DEFAULT ARISING FROM OTHER THAN NONPAYMENT HEREIN AND
25 THE BUYER IS GIVEN THE RIGHTS SO SPECIFIED. THE SELLER OR HOLDER
26 SHALL NOT BE REQUIRED TO PROVIDE SUCH NOTICE MORE THAN ONCE IN
27 ANY TWELVE (12) MONTH PERIOD. THE ACT OF CURING A DEFAULT
28 RESTORES TO THE BUYER HIS RIGHTS UNDER THE RETAIL INSTALLMENT
29 CONTRACT AS THOUGH NO DEFAULT HAD OCCURRED.

30 SECTION 2 11. THE AMENDMENT TO SECTION 303 SHALL APPLY TO <—

1 ANY CONTRACT EXECUTED MORE THAN 60 DAYS FROM THE DATE OF FINAL
2 ENACTMENT OF THIS AMENDATORY ACT.

3 SECTION 12. THE AMENDMENT TO THE RATES IN SUBSECTIONS (A) <—
4 AND (B) OF SECTION 501 AND TO SUBSECTION (A) OF SECTION 904
5 SHALL REVERT AUTOMATICALLY TO RATES EFFECTIVE PRIOR TO THIS ACT
6 UNLESS SPECIFICALLY REENACTED WITHIN THREE YEARS OF THE
7 EFFECTIVE DATE OF THIS ACT.

8 SECTION 13. (A) THE FOLLOWING ACTS AND PARTS OF ACTS ARE <—
9 REPEALED INsofar AS THEY ARE INCONSISTENT HERewith:

10 SECTIONS 13 AND 17.1, ACT OF APRIL 8, 1937 (P.L.262, NO.66),
11 KNOWN AS THE "CONSUMER DISCOUNT COMPANY ACT."

12 SECTIONS 309 AND 506, ACT OF NOVEMBER 30, 1965 (P.L.847,
13 NO.356), KNOWN AS THE "BANKING CODE OF 1965."

14 SECTIONS 701 AND 919, ACT OF DECEMBER 14, 1967 (P.L.746,
15 NO.345), KNOWN AS THE "SAVINGS ASSOCIATION CODE OF 1967."

16 (B) ALL OTHER ACTS AND PARTS OF ACTS ARE REPEALED INsofar AS
17 THEY ARE INCONSISTENT HERewith.

18 SECTION 3 14. THIS ACT SHALL TAKE EFFECT IMMEDIATELY. <—