

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 170

Session of  
1975

INTRODUCED BY MESSRS. SCHMITT, ZEARFOSS, MANDERINO, RENNINGER, MRS. GILLETTE, MESSRS. A. K. HUTCHINSON, BRUNNER, MRS. TOLL, MESSRS. SHANE, VANN, TAYLOR, ROMANELLI, LAUGHLIN, COHEN, TRELLO, ROSS, ABRAHAM, DeMEDIO, RAPPAPORT, SCHWEDER, IRVIS, WOJDAK, DOMBROWSKI, GREENFIELD, MORRIS, BERLIN, PIEVSKY, MUSTO, SHUPNIK, GREEN, PERRY, REED, STAPLETON, FEE, MENHORN, KOWALYSHYN, ZORD, WARGO, RUGGIERO, WALSH, O'DONNELL, AND MRKONIC, JANUARY 28, 1975

AS REPORTED FROM COMMITTEE ON CONSUMER PROTECTION, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 16, 1975

## AN ACT

- 1 ~~Relating to consumer credit sales and repealing inconsistent~~ <—  
2 ~~provisions of the Goods and Services Installment Sales Act~~  
3 ~~and the Home Improvement Finance Act.~~
- 4 RELATING TO CONSUMER TRANSACTIONS, INCLUDING CREDIT SALES, <—  
5 CONSUMER LEASES, RELATED DIRECT CONSUMER LOANS, AND ADVANCES  
6 MADE TO CREDIT CARD USERS, REGULATING CONTRACT PROVISIONS,  
7 THE TERMINATION OF CONSUMER DEFENSES, THE DISCLAIMER OF  
8 WARRANTIES, AND THE ENTRY OF JUDGMENTS BY CONFESSION,  
9 PROVIDING ADDITIONAL EXEMPTIONS FROM EXECUTION IN ACTIONS ON  
10 CONSUMER TRANSACTIONS, PROHIBITING WAIVERS OF EXEMPTIONS,  
11 IMPOSING DUTIES ON THE ATTORNEY GENERAL AND ON  
12 PROTHONOTARIES, AND REPEALING INCONSISTENT PROVISIONS OF THE  
13 GOODS AND SERVICES INSTALLMENT SALES ACT, THE HOME  
14 IMPROVEMENT FINANCE ACT, THE MOTOR VEHICLE SALES FINANCE ACT  
15 AND OTHER INCONSISTENT LAWS.
- 16 The General Assembly of the Commonwealth of Pennsylvania  
17 hereby enacts as follows:
- 18 ~~Section 1. As used in this act:~~ <—  
19 ~~"Consumer credit sale" means the sale of goods or services as~~  
20 ~~defined in this section.~~
- 21 ~~"Goods" means tangible chattels bought for use primarily for~~

1 ~~personal, family, or household purposes, including certificates~~  
2 ~~or coupons exchangeable for such goods and all chattels personal~~  
3 ~~which are furnished or used in the modernization,~~  
4 ~~rehabilitation, repair, alteration or improvement of real~~  
5 ~~property, including carpeting, but does not include motor~~  
6 ~~vehicles or the construction of new homes.~~

7 ~~"Home improvement installment contract" or "contract" means~~  
8 ~~an agreement covering a home improvement installment sale,~~  
9 ~~whether contained in one or more documents, together with any~~  
10 ~~accompanying check or bank draft as evidence of indebtedness, to~~  
11 ~~be performed in this Commonwealth pursuant to which the buyer~~  
12 ~~promises to pay in installments all or any part of the time sale~~  
13 ~~price or prices of goods and services, or services.~~

14 ~~(1) The meaning of the term does not include such an~~  
15 ~~agreement, if~~

16 ~~(i) it pertains to real property used for a commercial or~~  
17 ~~business purpose;~~

18 ~~(ii) it covers the sale of goods by a person who neither~~  
19 ~~directly or indirectly performs or arranges to perform any~~  
20 ~~services in connection with the installation of or application~~  
21 ~~of the goods;~~

22 ~~(iii) it covers only an appliance designed to be~~  
23 ~~freestanding and not built into and permanently affixed as an~~  
24 ~~integral part of the structure such as a stove, freezer,~~  
25 ~~refrigerator, air conditioner, other than one connected with a~~  
26 ~~central heating system, hot water heater and the like;~~

27 ~~(iv) it covers the sale of goods and the furnishing of~~  
28 ~~services or the furnishing of services thereunder for a cash~~  
29 ~~price stated therein of \$300 or less;~~

30 ~~(v) the loan is contracted for or obtained directly by the~~

~~retail buyer from the lending institution, person or corporation; or~~

~~(vi) the loan is insured, or a written commitment to insure it has been issued, pursuant to National housing legislation.~~

~~(2) The term does not include~~

~~(i) real property used for commercial or business purposes;~~

~~(ii) sale of goods by a person who neither directly or indirectly performs or arranges to perform any services in connection with installation of or appliance of goods;~~

~~(iii) a free appliance not considered an integral part of the real estate;~~

~~(iv) loan is contracted for or obtained directly by the retail buyer from the lending institution; or~~

~~(v) the loan is insured pursuant to Federal housing legislation.~~

~~"Home improvement installment sale" or "sale" means the sale of goods and furnishing of services or the furnishing of services by a contractor to a retail buyer pursuant to a home improvement installment contract wherein the cash price is stated to be in excess of \$300.~~

~~"Motor vehicle" means any self propelled device in which, upon which, or by which any person or property is or may be transported or drawn upon a public highway, excepting tractors, power shovels, road machinery, agricultural machinery and other machinery not designed primarily for highway transportation, but which may incidently transport persons or property on a public highway, and excepting such devices which move upon or are guided by a track or travel through the air and shall include trailers and semi trailers.~~

~~"Services" means work, labor and services for other than a~~

~~1 commercial or business use, including services furnished in  
2 connection with the sale or repair of goods or furnished in  
3 connection with the repair of motor vehicles or work, labor and  
4 services furnished in connection with the installation or  
5 application of goods in the modernization, rehabilitation,  
6 repair, alteration or improvement of real property, but does not  
7 include a motor vehicle, the construction of new homes or  
8 services for which the tariffs, rates, charges, costs or  
9 expenses, including in each instance the time sale price, is  
10 required by law to be filed with or approved by the Commonwealth  
11 or Federal Government or any official department, commission, or  
12 agency of the Commonwealth of Pennsylvania or the United States.~~

~~13 Section 2. In a consumer credit sale, the seller shall not  
14 take a negotiable instrument other than a check or bank draft as  
15 evidence of the obligation of the buyer. Any note in a consumer  
16 credit sale shall contain the words "Consumer Note—Not  
17 Negotiable" clearly and conspicuously printed on its face.~~

~~18 Section 3. No contract or obligation relating to a consumer  
19 credit sale shall contain any provision nor shall any provisions  
20 be effective by which:~~

~~21 (1) The buyer agrees not to assert against a seller or an  
22 assignee any claim or defense arising out of the transaction.~~

~~23 (2) In the absence of the buyer's default, the seller or  
24 assignee may arbitrarily and without reasonable cause,  
25 accelerate the maturity of any part or all of the amount owing  
26 thereunder, without giving the buyer 14 days' notice prior to  
27 acceleration or without giving the buyer the right to cure a  
28 default for 14 days after mailing of the notice, by tendering  
29 the amount of all unpaid installments due at the time of tender  
30 plus any unpaid delinquency charges, or by tendering any~~

~~performance necessary to cure default other than nonpayment of installments, and without the buyer being restored to all his rights after curing of the default, as though no default has occurred. For the purposes of this act "default" is defined only as the nonpayment of one or more installments, or unauthorized disposition of collateral, or failure to procure or maintain in effect any insurance required under the terms of the contract.~~

~~(3) The buyer with a gross annual income of less than \$10,000 authorizes a judgment by confession in any court, whether by power of attorney or other authorization, taken after the effective date of this act, which shall serve as the basis for a levy or execution until the plaintiff files a complaint averring default and proceeds as in original proceedings in assumpsit. The judgment by confession shall be changed as may be appropriate by a judgment, order or decree on the proceedings based on the complaint; but, the priority of any lien on the confession of judgment shall not be affected thereby. The parties to the action shall have the same rights as parties to other original proceedings in assumpsit. Hereafter, when any plaintiff has received satisfaction for any judgment entered by confession, he shall order the record in the proceeding marked satisfied within 30 days of the receipt thereof, and shall not require any action on the part of the defendant or any payment by him to cover the cost of satisfying the judgment. Any such judgment not revived within 1 year from the date on which the lien of said judgment has lapsed by operation of law shall be considered satisfied and may not thereafter be revived.~~

~~(4) The seller or assignee of the contract or obligation or a person acting on his behalf is given authority to enter upon the buyer's premises to commit any breach of the peace in the~~

1 ~~enforcement of the terms of the obligation.~~

2 ~~(5) The buyer waives any right of action against the seller~~  
3 ~~or assignee of the contract or obligation, or any other person~~  
4 ~~acting on his behalf, for any breach of the peace committed in~~  
5 ~~the enforcement of the terms of the obligation.~~

6 ~~(6) The buyer relieves the seller or assignee from any~~  
7 ~~liability for any legal remedy which the buyer may have against~~  
8 ~~the seller or assignee under the contract or obligation or any~~  
9 ~~separate instrument executed in connection therewith.~~

10 ~~(7) The buyer agrees to the payment of any charge by reason~~  
11 ~~of the exercise of his right to rescind or avoid the contract.~~

12 ~~(8) The seller or assignee is given the right to commence an~~  
13 ~~action on a contract under provisions of this act in a county~~  
14 ~~other than the county in which the contract was in fact signed~~  
15 ~~by the buyer, the county in which the buyer resides at the~~  
16 ~~commencement of the action, the county in which the buyer~~  
17 ~~resided at the time that the contract was entered into, or in~~  
18 ~~the county in which the goods purchased pursuant to such~~  
19 ~~contract may have been so affixed to real property as to become~~  
20 ~~a part of such real property.~~

21 ~~(9) The buyer waives his right to a statutory exemption.~~

22 ~~Section 4. (a) Any assignee of the contract or obligation~~  
23 ~~relating to a consumer credit sale shall be subject to all~~  
24 ~~claims and defenses of the consumer against the seller arising~~  
25 ~~from the sale, notwithstanding any agreement to the contrary.~~  
26 ~~Provided, however, That the assignee's liability under this~~  
27 ~~section shall not exceed the amount owing to the assignee at the~~  
28 ~~time the assignee has notice of the claim or defense.~~

29 ~~(b) For purposes of this act, "assignee" means any holder of~~  
30 ~~a consumer credit obligation, or the seller, or, in the case of~~

~~a transaction pursuant to a credit card or similar device, the issuer of that credit card, whether or not the issuer is the seller. An assignee also includes a person who regularly makes loans and who participates in or is connected with a sale. Mere knowledge that a loan will be used for a consumer purchase does not, without some other participation or connection, make the lender an assignee.~~

~~(c) Without limiting the scope of the inquiry pursuant to this section regarding the knowledge or reason to know of the lender, the lender will be deemed to have knowledge that the proceeds of a loan will be used in a consumer sale when:~~

~~(1) The lender is a person related to the seller.~~

~~(2) The lender supplies to the seller or the seller prepares documents used to evidence the loan obligations of the consumer.~~

~~(3) The lender has recourse to the seller for nonpayment of the loan through guaranty, reserve account or otherwise.~~

~~(4) The lender directly or indirectly pays to the seller any commission, fee or other consideration based upon the assistance or cooperation of the seller in the obtaining of the loan.~~

~~(5) The lender makes payment of the proceeds of the loan to the seller either individually or jointly with the consumer.~~

~~(6) The lender conditions the extension of credit upon the purchase of goods or services from the seller.~~

~~(7) The lender knew or should have known that the loan was arranged by the seller or a person acting on behalf of the seller.~~

~~(8) The lender and seller participate in any arrangement, formal or otherwise, in which the seller refers consumers to the lender.~~

~~(9) The lender permits the reference to his services to be~~

1 ~~used by the seller in connection with the consumer sales.~~

2 ~~(10) The lender takes a security interest in the property~~  
3 ~~which is the subject of the consumer sale.~~

4 ~~(11) The lender otherwise participates in or is connected~~  
5 ~~with the consumer sale.~~

6 ~~Section 5. Any party aggrieved by a violation of any of the~~  
7 ~~provisions of this act may, in a civil suit, collect damages of~~  
8 ~~double the finance charge, but not less than \$100 nor more than~~  
9 ~~\$1,0000, plus reasonable attorney's fees, for each violation.~~

10 ~~Section 6. (a) The following parts of acts are repealed~~  
11 ~~absolutely:~~

12 ~~(1) Section 208, act of August 14, 1963 (P.L.1082, No.464),~~  
13 ~~known as the "Home Improvement Finance Act."~~

14 ~~(2) Section 402, act of October 28, 1966 (1st Spec.Sess.,~~  
15 ~~P.L.55, No.7), known as the "Goods and Services Installment~~  
16 ~~Sales Act."~~

17 ~~(b) All acts and part of acts are repealed in so far as they~~  
18 ~~are inconsistent herewith.~~

19 ~~Section 7. This act shall take effect within 180 days after~~  
20 ~~final enactment.~~

21 ~~SECTION 1. SHORT TITLE.--THIS ACT SHALL BE KNOWN AND MAY BE~~ <—  
22 ~~CITED AS THE "CONSUMER TRANSACTIONS ACT."~~

23 ~~SECTION 2. DEFINITIONS.--THE FOLLOWING WORDS AND PHRASES~~  
24 ~~WHEN USED IN THIS ACT SHALL HAVE, UNLESS THE CONTEXT CLEARLY~~  
25 ~~INDICATES OTHERWISE, THE MEANINGS GIVEN TO THEM IN THIS SECTION:~~

26 ~~"CONSUMER." AN INDIVIDUAL BUYING, BORROWING, OR LEASING~~  
27 ~~GOODS OR SERVICES ACQUIRED PRIMARILY FOR PERSONAL, FAMILY OR~~  
28 ~~HOUSEHOLD USE.~~

29 ~~"CONSUMER GOODS." GOODS USED, LEASED OR BOUGHT FOR USE~~  
30 ~~PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES, WHETHER~~



1 ACQUIRED IN CASH OR A CREDIT TRANSACTION.

2 "CONSUMER SERVICES." WORK, LABOR OR SERVICES FURNISHED  
3 PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. AND  
4 INCLUDES SERVICES FURNISHED IN CONNECTION WITH THE SALE OR  
5 REPAIR OF GOODS, THE REPAIR OR SERVICING OF MOTOR VEHICLES, OR  
6 THE INSTALLATION OR APPLICATION OF GOODS IN THE MODERNIZATION,  
7 REHABILITATION, REPAIR ALTERATION, IMPROVEMENT OR RECONSTRUCTION  
8 OF REAL PROPERTY, WHETHER THE GOODS BECOME FIXTURES OR BECOME  
9 REAL PROPERTY.

10 "DEFAULT." NOTWITHSTANDING ANY OTHER DEFINITION IN THE  
11 CONTRACT OR AGREEMENT OF THE PARTIES, ONLY THE NONPAYMENT OF ONE  
12 OR MORE INSTALLMENTS, AN UNAUTHORIZED VOLUNTARY OR INVOLUNTARY  
13 DISPOSITION OF THE COLLATERAL INCREASING THE SECURED PARTY'S  
14 RISK OF NONPAYMENT, A FAILURE TO REPAIR SIGNIFICANT DAMAGE TO  
15 THE COLLATERAL, A FAILURE TO PROCURE OR MAINTAIN IN EFFECT ANY  
16 INSURANCE REQUIRED UNDER THE TERMS OF THE CONTRACT OR AGREEMENT  
17 OR THE COMMISSION OF ANY OTHER ACT SPECIFIED IN THE AGREEMENT  
18 WHICH REASONABLY IMPAIRS THE PROSPECT OF PAYMENT OR PERFORMANCE.

19 "HOUSEHOLD." INCLUDES ALL PERSONS WHO MAY REASONABLY BE  
20 EXPECTED TO USE, CONSUME, OR BE AFFECTED BY THE CONSUMER GOODS  
21 OR SERVICES IN QUESTION.

22 "SUPPLYING CONSUMER GOODS OR SERVICES." SELLING, LEASING,  
23 ASSIGNING OR AWARDING BY CHANCE OR BY ANY OTHER MEANS, CONSUMER  
24 GOODS OR SERVICES AND INCLUDES ANY SOLICITATION BY A SUPPLIER  
25 WITH RESPECT TO ANY OF THESE MEANS OF SUPPLYING CONSUMER GOODS  
26 OR SERVICES.

27 SECTION 3. LIMITATION ON WARRANTY DISCLAIMERS AND LIMITATION  
28 OF DAMAGES FOR BREACH IN SUPPLYING OR MANUFACTURING GOODS  
29 BECOMING CONSUMER GOODS.--(A) NO PERSON SUPPLYING OR  
30 MANUFACTURING CONSUMER GOODS SHALL LIMIT OR DISCLAIM ANY IMPLIED

1 WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR  
2 PURPOSE, OR LIMIT DAMAGES FOR PERSONAL INJURIES ARISING OUT OF A  
3 BREACH OF WARRANTY. THE USE OF ANY CONTRACT PROVISION PURPORTING  
4 TO DO SO SHALL CONSTITUTE A VIOLATION OF THIS ACT.

5 (B) ANY LIMITATION OF DAMAGES FOR BREACH OF ANY WARRANTY  
6 EXPRESS OR IMPLIED TO THE REPAIR OR REPLACEMENT AND INSTALLATION  
7 OF DEFECTIVE PARTS OR MERCHANDISE SHALL NOT BE EFFECTIVE UNLESS  
8 THE PERSON SUPPLYING THE CONSUMER GOODS OR THE MANUFACTURER  
9 MAKING THE WARRANTY MAINTAINS PLACES OF BUSINESS WITHIN THIS  
10 STATE OR WITHIN 100 MILES OF THE POINT OF SALE, WHICHEVER IS  
11 CLOSER TO THE POINT OF SALE, THROUGH WHICH WARRANTY SERVICE IS  
12 EFFECTED WITHIN A REASONABLE PERIOD OF TIME AFTER REQUEST  
13 THEREFOR BY THE CONSUMER. IN ANY EVENT SUCH LIMITATION SHALL NOT  
14 BE EFFECTIVE AFTER THE SECOND ATTEMPT BY THE SELLER OR  
15 MANUFACTURER TO CURE THE SAME DEFECT; AND AFTER SUCH SECOND  
16 ATTEMPT FAILS, THE CONSUMER SHALL BE ENTITLED TO RESORT TO ALL  
17 REMEDIES PROVIDED BY LAW, INCLUDING THE RIGHT TO REVOKE  
18 ACCEPTANCE AND RECOVER ALL PAYMENTS THERETOFOR MADE, LESS THE  
19 REASONABLE VALUE TO THE CONSUMER OF THE ACTUAL USE MADE OF THE  
20 CONSUMER GOODS. THE CONSUMER'S RECOVERY SHALL INCLUDE  
21 REIMBURSEMENT OF ANY EXTRA EXPENSES ACTUALLY INCURRED FOR  
22 SUBSTITUTE GOODS OR SERVICES WHILE THE CONSUMER GOODS WERE HELD  
23 FOR REPAIR, IF SUCH HOLDING WAS FOR MORE THAN 10 DAYS AT ANY ONE  
24 TIME.

25 (C) SUBSECTIONS (A) AND (B) OF THIS SECTION SHALL NOT BE  
26 CONSTRUED TO ABROGATE THE RIGHT TO SUPPLY PREVIOUSLY USED  
27 CONSUMER GOODS ON AN "AS IS" OR "WITH ALL FAULTS" BASIS,  
28 PROVIDED, HOWEVER, THAT THE CONTRACT OF SALE OR OTHER DOCUMENT  
29 EVIDENCING THE TRANSACTION SHALL CONTAIN THE FOLLOWING NOTICE,  
30 PRINTED PROMINENTLY AND IN THE FORM BELOW IN TWELVE (12) POINT

EXTRA BOLD TYPE, OR LARGER, DIRECTLY ABOVE OR BESIDE THE SPACE  
PROVIDED FOR THE BUYER'S SIGNATURE OR THE BOTTOM OF THE  
DOCUMENT:

NOTICE TO BUYER

THE GOOD YOU ARE BUYING ARE SOLD TO YOU "AS IS"  
OR "WITH ALL FAULTS." THIS MEANS THAT NO WARRANTY  
OR GUARANTEE IS GIVEN AND THAT YOU MUST BEAR THE  
FULL RISK THAT THESE GOODS MIGHT BE DEFECTIVE.

EXERCISE CAUTION BEFORE BUYING!

(D) NO DISCLAIMER OF WARRANTIES OR LIMITATION OF REMEDIES  
OR OF DAMAGES FOR BREACH OF WARRANTY, INCLUDING THE USE OF SUCH  
WORDS AS "AS IS" OR "WITH ALL FAULTS," SHALL BE EFFECTIVE AS  
AGAINST THE PERSON SUPPLYING OR MANUFACTURING THE GOODS UNLESS  
THE CONTRACT OR AGREEMENT DISCLOSES, IN A CONSPICUOUS PLACE ON  
THE WARRANTY, IN A MANNER COMPREHENSIBLE TO THE AVERAGE CONSUMER  
SERVED BY SUCH PERSON THE EXTENT TO WHICH HIS LEGAL RIGHTS  
OTHERWISE INHERENT IN THE CONTRACT ARE IMPAIRED BY HIS EXECUTION  
OF THE AGREEMENT OR CONTRACT.

SECTION 4. PROHIBITED CONTRACT TERMS.--(A) NO PERSON  
SUPPLYING CONSUMER GOODS OR SERVICES SHALL USE ANY FORM OF  
CONTRACT OR AGREEMENT CONTAINING ANY CLAUSE OR TERM WHEREBY:

(1) THE CONSUMER AGREES NOT TO ASSERT AGAINST THE PERSON  
SUPPLYING THE GOODS OR SERVICES OR ANY ASSIGNEE OR TRANSFEREE OF  
THE CONSUMER'S CONTRACT OR AGREEMENT ANY CLAIM OR DEFENSE  
ARISING OUT OF THE CONSUMER TRANSACTION.

(2) THE PERSON SUPPLYING THE GOODS OR SERVICES, ANY  
ASSIGNEE, OR ANY PERSON ACTING ON BEHALF OF EITHER IS GIVEN  
AUTHORITY TO ENTER UPON THE CONSUMER'S PREMISES OR COMMIT A  
BREACH OF THE PEACE IN THE ENFORCEMENT OF THE TERMS OF THE  
AGREEMENT OR CONTRACT; BUT THIS SUBDIVISION SHALL NOT PROHIBIT

1 PEACEABLE ENTRY UPON THE PREMISES WITH THE CONSENT OF THE  
2 CONSUMER GIVEN AFTER DEFAULT.

3 (3) THE CONSUMER WAIVES ANY RIGHT OF ACTION AGAINST THE  
4 PERSON SUPPLYING THE GOODS OR SERVICES, ANY ASSIGNEE, OR ANY  
5 PERSON ACTING ON BEHALF OF EITHER, FOR ANY VIOLATION OF THIS ACT  
6 OR ANY BREACH OF THE PEACE OR OTHER WRONGFUL ACT COMMITTED IN  
7 THE ENFORCEMENT OF THE CONTRACT OR AGREEMENT; BUT THIS PROVISION  
8 SHALL NOT PROHIBIT A RELEASE OF ANY ACCRUED CAUSE OF ACTION AS A  
9 PART OF A BONA FIDE SETTLEMENT OF A DISPUTE.

10 (4) THE PERSON SUPPLYING THE GOODS OR SERVICES, ANY ASSIGNEE  
11 OR ANY PERSON ACTING ON BEHALF OF EITHER IS GIVEN THE RIGHT TO  
12 COMMENCE AN ACTION OR OTHER LEGAL PROCEEDING OR REQUIRE  
13 ARBITRATION OF DISPUTES IN ANY FOREIGN STATE OR COUNTRY OR IN  
14 ANY COUNTY OF THIS STATE OTHER THAN THE COUNTY IN WHICH THE  
15 BUYER RESIDES AT THE COMMENCEMENT OF THE ACTION, OR, IF THE  
16 BUYER NO LONGER RESIDES IN THIS STATE, IN THE COUNTY IN WHICH HE  
17 RESIDED AT THE TIME THE CONTRACT OR AGREEMENT WAS ENTERED INTO,  
18 OR, IF THE GOODS ARE AFFIXED TO OR SO AFFILIATED WITH REAL  
19 PROPERTY AS TO BECOME FIXTURES, IN THE COUNTY IN WHICH THE REAL  
20 PROPERTY IS LOCATED.

21 (5) ANY PROVISION WITH RESPECT TO REPAYMENTS OR SECURITY  
22 PROHIBITED BY SECTION 12 OF THIS ACT.

23 (B) IT SHALL BE A VIOLATION OF THIS ACT FOR ANY PERSON  
24 SUPPLYING CONSUMER GOODS OR SERVICES TO USE A FORM OF CONTRACT  
25 CONTAINING ANY CLAUSE, PROVISION OR TERM PROHIBITED BY THIS ACT,  
26 AND A SEPARATE AND ADDITIONAL VIOLATION TO REFER TO OR UTILIZE  
27 ANY SUCH CLAUSE, TERM OR PROVISION IN ANY ATTEMPT TO EFFECT  
28 COLLECTION FROM A CONSUMER OR A SETTLEMENT WITH A CONSUMER.

29 SECTION 5. CONTROL OF ACCELERATION CLAUSES.--(A) NO PERSON  
30 SUPPLYING CONSUMER GOODS AND SERVICES SHALL USE ANY CONTRACT,

1 AGREEMENT, NOTE OR OTHER INSTRUMENT IN A CONSUMER CREDIT  
2 TRANSACTION WHICH PROVIDES FOR ACCELERATION OF THE ENTIRE UNPAID  
3 INDEBTEDNESS OR ANY PORTION THEREOF IN ADVANCE OF THE STATED DUE  
4 DATE UNLESS THE PROVISION FOR ACCELERATION IS EXPRESSED TO BE  
5 OPERATIVE ONLY IF:

6 (1) THE PERSON SUPPLYING THE GOODS OR SERVICES, OR AN  
7 ASSIGNEE, SHALL HAVE FIRST GIVEN THE CONSUMER 14 DAYS PRIOR  
8 NOTICE OF THE INTENT TO ACCELERATE, OF THE GROUNDS ON WHICH THE  
9 ACCELERATION IS BASED, AND OF THE CONSEQUENCE OF DEFAULT IN A  
10 CONSPICUOUS PLACE AND IN THE FOLLOWING FORM ON THE NOTICE AND  
11 SERVED BY SUCH PERSON; AND

12 IMPORTANT NOTICE REQUIRED BY LAW

13 NOTICE OF INTENTION

14 TO ACCELERATE

15 THE MATURITY OF OBLIGATION,

16 COMMENCE LEGAL ACTION AND/OR REPOSSESS

17 YOU HAVE DEFAULTED ON YOUR OBLIGATION, DESCRIBED AS FOLLOWS:

18 TRANSACTION NO.

19 DATE OF CONTRACT

20 CONTRACT SECURED BY THE FOLLOWING GOODS YOU PURCHASED

21 (SPECIFY)

22 CONTRACT SECURED BY THE FOLLOWING COLLATERAL

23 A. \_\_\_\_\_YOU HAVE VIOLATED THE FOLLOWING TERMS OF YOUR CONTRACT:

24 (DESCRIPTION, USING ORIGINAL CONTRACT LANGUAGE)

25 B. \_\_\_\_\_YOU HAVE FAILED TO MAKE INSTALLMENT PAYMENTS ON:

26 (DATES)

27 A STATEMENT OF YOUR ACCOUNT IS AS FOLLOWS:

28 1. INITIAL AMOUNT - \$ \_\_\_\_\_

29 2. PRESENT AMOUNT OWING (INITIAL AMOUNT MINUS

30 PAYMENTS YOU HAVE MADE) - \$ \_\_\_\_\_

1           3. LATE PAYMENTS IN THE TOTAL AMOUNT OF \$\_\_\_\_\_ DUE AS  
2                   OF (DATE) - \$ \_\_\_\_\_  
3           4. CURRENT PAYMENT DUE AS OF (DATE) - \$ \_\_\_\_\_  
4           5. LATE CHARGES \$ \_\_\_\_\_  
5           6. ACTUAL COST OF SERVICE OF THIS NOTICE - \$ \_\_\_\_\_  
6           7. TOTAL AMOUNT OF PAYMENTS DUE (TOTAL OF 3, 4, 5  
7                   AND 6) - \$ \_\_\_\_\_

8 YOU HAVE THE RIGHT TO BRING YOUR ACCOUNT UP TO DATE. IN ORDER  
9 TO DO SO, YOU MUST DO THE FOLLOWING NOT LATER THAN (DATE),  
10 WHICH IS NOT LESS THAN 14 DAYS FROM THE DATE YOU RECEIVE THIS  
11 NOTICE:

12 C. \_\_\_\_\_(SPECIFY REQUIRED PERFORMANCE, AS DESCRIBED ABOVE)  
13 D. \_\_\_\_\_(PAY THIS AMOUNT (TOTAL AMOUNTS OF PAYMENTS DUE UNDER  
14 "7", ABOVE

15 IF YOU DO AS REQUIRED UNDER "C" AND "D" ABOVE, YOU MAY  
16 CONTINUE TO KEEP YOUR CONTRACT IN EFFECT WITHOUT ANY ADDITIONAL  
17 PENALTIES OR COSTS BEING IMPOSED.

18 SHOULD YOU FAIL TO DO SO BY THE SPECIFIED DATE, THE ENTIRE  
19 PRESENT AMOUNT OWING YOUR CONTRACT WILL BECOME IMMEDIATELY DUE;  
20 ANY GOODS BY WHICH THE CONTRACT IS SECURED AND/OR ANY COLLATERAL  
21 GIVEN UNDER THAT CONTRACT MAY BE IMMEDIATELY, PEACEFULLY  
22 REPOSSESSED AND LEGAL ACTION MAY BE BEGUN BEFORE OR AFTER  
23 REPOSSESSION.

24 ANY OVERDUE INSTALLMENTS MAY BE PAID AT THE FOLLOWING:

25 \_\_\_\_\_  
26 (ADDRESS) (PHONE)

27 PAYMENT MUST BE MADE ONLY BY (SPECIFY: PERSONAL CHECK, MONEY  
28 ORDER, OTHER).

29 (2) THE CONSUMER SHALL BE IN DEFAULT; AND EITHER

30 (3) THE CONSUMER HAS NOT, WITHIN THE 14-DAY PERIOD OF THE

1 NOTICE, CURED THE DEFAULT OR GIVEN THE PERSON SENDING THE NOTICE  
2 ADEQUATE ASSURANCES OF PAYMENT OR PERFORMANCE; OR

3 (4) THE DEFAULT IS THE THIRD DEFAULT OF THE CONSUMER DURING  
4 THE TERM OF THE CONTRACT.

5 (B) UPON THE CURE OF ANY DEFAULT THE ACCELERATION SHALL  
6 TERMINATE AND THE CONTRACT SHALL BE REINSTATED IN ACCORDANCE  
7 WITH ITS ORIGINAL TERMS. CURE SHALL CONSIST OF THE ELIMINATION  
8 OF THE GROUNDS FOR DEFAULT, INCLUDING THE PAYMENT OF ALL UNPAID  
9 INSTALLMENTS FALLING DUE WITHOUT ACCELERATION IN ACCORDANCE WITH  
10 THE CONTRACT BEFORE AND DURING THE PERIOD OF THE DEFAULT, AND  
11 THE PAYMENT OF ANY LEGAL LATE CHARGES.

12 (C) NOTICES OF ACCELERATION IN THE FORM AS SET FORTH ABOVE  
13 SHALL BE MAILED, CERTIFIED MAIL RETURN RECEIPT REQUESTED IN TIME  
14 TO BE RECEIVED BY THE CONSUMER, IN CURRENT COURSE OF MAIL, OR  
15 DELIVERED, NOT LESS THAN 14 DAYS BEFORE THE DATE AT WHICH THE  
16 INDEBTEDNESS WILL BECOME DUE BY ACCELERATION. MAILING IN  
17 ACCORDANCE WITH REASONABLE ESTIMATES OF TIME REQUIRED FOR  
18 DELIVERY SHALL CONSTITUTE COMPLIANCE WITH THIS SECTION, BUT IF A  
19 RETURN RECEIPT SHOWS A DELIVERY AT A DATE LESS THAN 14 DAYS FROM  
20 THE DATE FIXED FOR ACCELERATION THE CONSUMER MAY EFFECT CURE  
21 WITHIN 14 DAYS OF THE DATE OF THE RECEIPT SHOWN.

22 SECTION 6. ENTRY OF JUDGMENTS BY CONFESSION.--(A) A CONSUMER  
23 CREDIT CONTRACT MAY PROVIDE FOR THE ENTRY OF A JUDGMENT BY  
24 CONFESSION ON WARRANT OF ATTORNEY. BUT EVERY SUCH WARRANT SHALL  
25 SPECIFY THAT THE JUDGMENT IS CONFESSED PURSUANT TO AND IS  
26 SUBJECT TO THE PROVISIONS OF THIS ACT. THE PROTHONOTARY OF THE  
27 COURT IN WHICH THE JUDGMENT IS ENTERED SHALL NOTE THE FACT THAT  
28 THE JUDGMENT IS SUBJECT TO THE PROVISIONS OF THIS ACT IN THE  
29 JUDGMENT ROLL AND IN THE DOCKET OF JUDGMENTS. IF THE JUDGMENT SO  
30 CONFESSED IS NOT CONFESSED SUBJECT TO THE LIMITATION THAT THE

1 LIEN OF THE JUDGMENT SHALL NOT BIND ANY REAL ESTATE WHICH IS  
2 USED AS A PRINCIPAL RESIDENCE OF THE CONSUMER, THE PERSON  
3 ENTERING THE JUDGMENT SHALL FURNISH THE PROTHONOTARY OF THE  
4 COURT IN WHICH THE JUDGMENT IS TO BE ENTERED WITH EVIDENCE,  
5 SATISFACTORY TO SUCH PROTHONOTARY, THAT THE ENTRY OF THE  
6 JUDGMENT IS IN COMPLIANCE WITH SECTIONS 121, 122 AND 125 OF  
7 TITLE I OF THE FEDERAL CONSUMER CREDIT PROTECTION ACT, (82 STAT.  
8 152, ET SEQ.), AS AMENDED, AND OF THE RELEVANT PROVISIONS OF  
9 THIS ACT. IN THE ABSENCE OF SUCH LIMITATION OR OF SUCH EVIDENCE  
10 THE PROTHONOTARY SHALL NOT ENTER THE JUDGMENT.

11 (B) NO SUCH JUDGMENT SHALL SERVE AS THE BASIS FOR A LEVY OR  
12 EXECUTION UNTIL THE PLAINTIFF FILES A COMPLAINT AVERRING AN  
13 UNCURED DEFAULT AND PROCEEDS AS IN ORIGINAL PROCEEDINGS IN  
14 ASSUMPSIT. IN THE PROCEEDINGS THE JUDGMENT SHALL BE AMENDED AS  
15 MAY BE APPROPRIATE BY THE JUDGMENT OR ORDER ENTERED IN THE  
16 PROCEEDINGS ON THE COMPLAINT, BUT THE LIEN OF THE JUDGMENT SHALL  
17 DATE FROM THE DATE OF THE ENTRY OF THE JUDGMENT BY CONFESSION.

18 (C) NO SUCH JUDGMENT SHALL BE ENTERED IN ANY COURT OF THIS  
19 COMMONWEALTH, OR ELSEWHERE, IF THE AMOUNT UNPAID IN THE CONSUMER  
20 CREDIT TRANSACTION SHALL BE, AT THE TIME OF ENTRY, LESS THAN  
21 \$1,000.

22 (D) THE FEE FOR ENTERING A JUDGMENT BY CONFESSION UNDER THIS  
23 ACT SHALL INCLUDE THE FEE FOR ENTERING A SATISFACTION THEREOF.  
24 NO PART OF ALL SUCH FEES SHALL BE CHARGED TO OR PAID BY THE  
25 CONSUMER.

26 (E) A FAILURE BY A JUDGMENT CREDITOR WHO HAS RECEIVED  
27 SATISFACTION TO NOTIFY THE PROTHONOTARY THEREOF, WITHIN TEN DAYS  
28 OF RECEIPT OF SATISFACTION SHALL CONSTITUTE A VIOLATION OF THIS  
29 ACT.

30 (F) FOR THE PURPOSES OF THIS SECTION SATISFACTION OF A



1 CONSUMER DEBT SHALL INCLUDE THE REDUCTION OF THE AMOUNT UNPAID  
2 IN THE CONSUMER TRANSACTION TO A SUM LESS THAN \$1,000.

3 SECTION 7. LIMITATION ON NEGOTIABLE INSTRUMENTS.--(A) NO  
4 PERSON SUPPLYING CONSUMER GOODS OR SERVICES SHALL TAKE AS  
5 EVIDENCE OF OR SECURITY FOR THE PERFORMANCE OF ANY OBLIGATION OF  
6 THE CONSUMER ANY NEGOTIABLE INSTRUMENT OTHER THAN A CHECK OR  
7 BANK DRAFT FOR CURRENT COLLECTION TAKEN IN CONDITIONAL PAYMENT  
8 OF AN OBLIGATION PRESENTLY DUE.

9 (B) ANY PERSON SUPPLYING CONSUMER GOODS AND SERVICES AND  
10 TAKING A WRITTEN INSTRUMENT FOR THE PAYMENT OF DEFERRED CONSUMER  
11 OBLIGATIONS SHALL CONSPICUOUSLY MARK THE INSTRUMENT "CONSUMER  
12 OBLIGATION - NOT NEGOTIABLE" IN CONSPICUOUS TYPE ON ITS FACE.

13 SECTION 8. RIGHTS OF ASSIGNEES OF CONSUMER CONTRACTS OR  
14 AGREEMENTS.--(A) AN ASSIGNEE OF A PERSON SUPPLYING CONSUMER  
15 GOODS AND SERVICES OR A TRANSFEREE OF A CONSUMER'S MONETARY  
16 OBLIGATION INCURRED IN A CONSUMER TRANSACTION SHALL NOT BE  
17 LIABLE TO THE CONSUMER IN RESPECT OF ANY CLAIM OR DEFENSE  
18 AGAINST THE PERSON SUPPLYING THE CONSUMER GOODS OR SERVICES  
19 BEYOND THE AMOUNT ORIGINALLY PAID BY SUCH ASSIGNEE OR TRANSFEREE  
20 FOR THE OBLIGATION ASSIGNED OR TRANSFERRED.

21 (B) THIS SECTION SHALL NOT LIMIT THE RIGHT OF A CONSUMER TO  
22 WITHHOLD PAYMENTS DUE IN RESPECT OF A CONSUMER TRANSACTION  
23 PENDING SETTLEMENT OF A DISPUTED CLAIM OF WHICH NOTICE HAS BEEN  
24 GIVEN.

25 SECTION 9. TRANSFEREES SUBJECT TO CONSUMER CLAIMS AND  
26 DEFENSES.--(A) A TRANSFEREE OF A CONSUMER OBLIGATION ARISING OUT  
27 OF A CONSUMER TRANSACTION SHALL BE SUBJECT TO ALL CLAIMS OR  
28 DEFENSES OF THE CONSUMER WHICH ARE GOOD AGAINST THE PERSON  
29 SUPPLYING THE CONSUMER GOODS AND SERVICES EXCEPT THAT:

30 (1) A TRANSFEREE SHALL NOT BE SUBJECT TO CLAIMS OR DEFENSES

1 ARISING OUT OF OTHER TRANSACTIONS BETWEEN THE PARTIES WHICH  
2 SHALL ACCRUE AFTER THE CONSUMER HAS BEEN NOTIFIED OF THE  
3 TRANSFER; OR

4 (2) A TRANSFEREE OF A CHECK OR BANK DRAFT TAKEN FOR CURRENT  
5 COLLECTION BY A PERSON SUPPLYING CONSUMER GOODS OR SERVICES MAY  
6 BECOME A HOLDER IN DUE COURSE OF THE CHECK OR BANK DRAFT, BUT  
7 THERE CAN BE NO HOLDER IN DUE COURSE OF ANY OTHER INSTRUMENT  
8 TAKEN IN A CONSUMER TRANSACTION.

9 (B) THE LIABILITY UNDER THIS SECTION EXISTS WHETHER THE  
10 TRANSFERRED OBLIGATION IS EVIDENCED BY A NEGOTIABLE INSTRUMENT,  
11 WHETHER THE CONTRACT OR AGREEMENT CONTAINS A CLAUSE WAIVING  
12 DEFENSES AGAINST AN ASSIGNEE, WHETHER THE PERSON SUPPLYING GOODS  
13 AND SERVICES HAS MARKED ANY NEGOTIABLE INSTRUMENT AS REQUIRED BY  
14 SECTION 7 (B) OF THIS ACT AND WHETHER THE TRANSFEREE IS AN  
15 IMMEDIATE OR REMOTE TRANSFEREE OF THE PERSON SUPPLYING CONSUMER  
16 GOODS AND SERVICES.

17 (C) NOTWITHSTANDING ANYTHING CONTAINED IN THIS ACT, NEITHER  
18 A DEPOSITORY NOR A COLLECTING NOR A PAYOR BANK SHALL BE OR  
19 BECOME LIABLE TO A CONSUMER'S DEFENSES OR CLAIMS AGAINST A  
20 PERSON SUPPLYING CONSUMER GOODS OR SERVICE BY REASON OF THE  
21 HANDLING IN COURSE OF CURRENT COLLECTION FOR A CUSTOMER OF ANY  
22 ITEM MADE DRAWN OR ACCEPTED BY A CONSUMER.

23 SECTION 10. RELATED LENDERS AND CREDIT CARD ISSUES SUBJECT  
24 TO CONSUMER CLAIMS AND DEFENSES.--(A) WITH RESPECT TO A CONSUMER  
25 LOAN, OTHER THAN A LOAN PRIMARILY FOR AGRICULTURAL PURPOSES, A  
26 LENDER WHO IS A RELATED LENDER WITH RESPECT TO A PERSON  
27 SUPPLYING CONSUMER GOODS OR SERVICES, SHALL BE SUBJECT TO ALL  
28 CLAIMS AND DEFENSES OF THE BORROWER ARISING OUT OF THE CONSUMER  
29 TRANSACTION FOR WHICH THE LOAN WAS MADE, WHICH WOULD BE  
30 ASSERTABLE IN AN ACTION BETWEEN THE BORROWER AND THE PERSON

1 SUPPLYING THE GOODS AND SERVICES BUT THE LENDER'S LIABILITY IN  
2 THE AGGREGATE FOR ANY ONE CONSUMER TRANSACTION SHALL NOT EXCEED  
3 THE AMOUNT ORIGINALLY LOANED TO THE BORROWER IN RESPECT OF THAT  
4 TRANSACTION.

5 (B) THE TERM "RELATED LENDER" REFERS TO A LENDER WHOSE  
6 PARTICIPATION IN A CONSUMER TRANSACTION IS ARRANGED BY THE  
7 SELLER OF THE CONSUMER GOODS PURCHASED. KNOWLEDGE ALONE ON THE  
8 PART OF THE LENDER THAT THE PROCEEDS OF THE LOAN SHALL BE USED  
9 TO PURCHASE CONSUMER GOODS SHALL NOT CAUSE THE LENDER TO BE A  
10 "RELATED LENDER." WITHOUT LIMITING THE SCOPE OF INQUIRY  
11 CONCERNING ARRANGEMENT BY THE SELLER, THE SELLER WILL BE DEEMED  
12 TO HAVE ARRANGED THE LOAN, AND THE LENDER MAY BE PRESUMED TO BE  
13 A "RELATED LENDER" WHEN ONE OR MORE OF THE FOLLOWING  
14 CIRCUMSTANCES EXIST:

15 (1) THE LENDER OR A PRINCIPAL OFFICER, PRINCIPAL  
16 SHAREHOLDER, PARTNER, OWNER, OR PRINCIPAL SUPPLIER OF CAPITAL IS  
17 SO CONNECTED WITH OR RELATED BY BLOOD OR THROUGH MARRIAGE TO THE  
18 PERSON SUPPLYING THE CONSUMER GOODS OR SERVICES OR ONE OF SUCH  
19 PERSON'S PRINCIPAL OFFICERS, PRINCIPAL SHAREHOLDERS, PARTNERS,  
20 OWNERS OR PRINCIPAL SUPPLIER OF CAPITAL OTHER THAN THAT SUPPLIED  
21 BY THE LENDER, THAT DEALINGS BETWEEN THE LENDER AND THE PERSON  
22 SUPPLYING THE CONSUMER GOODS AND SERVICES WOULD NOT BE AT ARM'S  
23 LENGTH; OR

24 (2) THE LENDER HAS FURNISHED THE SELLER WITH FORMS FOR LOAN  
25 APPLICATIONS AND THE FORM WAS FURNISHED TO THE CONSUMER BY OR ON  
26 BEHALF OF THE PERSON FURNISHING THE CONSUMER GOODS AND SERVICES;  
27 OR

28 (3) THE PERSON SUPPLYING THE CONSUMER GOODS OR SERVICES  
29 RECEIVES A FEE OR OTHER THING OF VALUE FROM THE LENDER IN  
30 RESPECT OF THE LOAN OR OTHERWISE HAS A PARTICIPATION, DIRECTLY

1 OR INDIRECTLY, WITH THE LENDER IN THE FINANCE CHARGE ON THE  
2 LOAN, OR HAS AGREED TO PURCHASE FROM THE LENDER, UPON DEFAULT,  
3 ANY COLLATERAL HELD FOR THE LOAN; OR

4 (4) THE LENDER DIRECTLY OR INDIRECTLY CONTROLS, OR IS  
5 DIRECTLY OR INDIRECTLY CONTROLLED BY, OR IS UNDER DIRECT OR  
6 INDIRECT COMMON CONTROL WITH THE PERSON SUPPLYING THE CONSUMER  
7 GOODS OR SERVICES; OR

8 (5) THE PERSON SUPPLYING THE CONSUMER GOODS OR SERVICES HAS  
9 REFERRED THE CONSUMER, OR THREE OR MORE OTHER BORROWERS TO THE  
10 LENDER FOR LOANS TO ACQUIRE CONSUMER GOODS OR SERVICES FROM THE  
11 PERSON; OR

12 (6) THE LENDER AND THE PERSON SUPPLYING THE CONSUMER GOODS  
13 AND SERVICES ARE ENGAGED IN A JOINT VENTURE TO PRODUCE CONSUMER  
14 OBLIGATIONS PAYABLE TO THE LENDER; OR

15 (7) THE LENDER HAS RECOURSE TO THE SELLER FOR NONPAYMENT OF  
16 THE LOAN THROUGH GUARANTY, RESERVE ACCOUNT OR OTHERWISE.

17 (C) AN ISSUER OF A THIRD PARTY CREDIT CARD SHALL BE A  
18 RELATED LENDER IF THE CONSUMER GOODS OR SERVICES ARE ACQUIRED BY  
19 THE USE OF ITS CREDIT CARD AND THE GOODS OR SERVICES ACQUIRED:

20 (1) HAVE A CASH PRICE OF MORE THAN \$40; AND

21 (2) DO NOT CONSIST OF MEALS, LODGING, DRINK CONSUMED ON  
22 PREMISES, OR TICKETS FOR TRAVEL, SPORTS OR OTHER ENTERTAINMENT;  
23 AND

24 (3) WERE ACQUIRED IN THE STATE OF THE CONSUMER'S RESIDENCE,  
25 OR, IF IN ANOTHER STATE, AT A PLACE WITHIN 100 MILES OF THE  
26 CONSUMER'S RESIDENCE.

27 (D) THE CONTRACT OR AGREEMENT OF THE RELATED LENDER WITH THE  
28 CONSUMER SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 4.

29 SECTION 11. LIMITATION ON LIABILITY OF A TRANSFEREE OR  
30 RELATED LENDER.--GOODS OR SERVICES PURCHASED BY USE OF A THIRD

1 PARTY CREDIT CARD OR ON A REVOLVING CREDIT PLAN SHALL NOT BE  
2 DEEMED PAID FOR UNTIL THE OCCURRENCE OF THE EARLIER OF (1) THE  
3 BALANCE IN THE ACCOUNT IS REDUCED TO ZERO, OR (2) THE GOOD OR  
4 SERVICE ACQUIRED WOULD HAVE BEEN FULLY PAID BY THE APPLICATION  
5 EACH MONTH TO THE PRINCIPAL AMOUNT ORIGINALLY FINANCED OR  
6 CHARGED IN RESPECT OF SUCH GOOD OR SERVICE OF THE MINIMUM  
7 PAYMENT REQUIRED FOR A CREDIT OF THAT AMOUNT BY THE RULES OF THE  
8 CREDIT CARD ISSUER OR THE PERSON GRANTING THE REVOLVING CREDIT.

9 SECTION 12. PROHIBITED TERMS AND SECURITY INTERESTS.--(A) NO  
10 CONSUMER TRANSACTION SHALL, EXCEPT UNDER A REVOLVING CREDIT  
11 PLAN, HAVE ANY SCHEDULED PAYMENT INCLUDING INTEREST OR FINANCE  
12 CHARGE WHICH IS MORE THAN TWICE AS LARGE AS THE AVERAGE OF THE  
13 EARLIER SCHEDULED PAYMENTS UNLESS THE CONSUMER HAS THE OPTION TO  
14 REFINANCE THE AMOUNT OF THAT LARGER PAYMENT OR PAYMENTS UPON THE  
15 SAME INTEREST RATE AND OTHER TERMS AND WITHOUT PENALTY IN  
16 FURTHER PAYMENTS NO LARGER THAN THE AVERAGE OF THE PAYMENTS  
17 PRECEDING SUCH LARGER PAYMENTS.

18 (B) NO SECURITY INTEREST TAKEN OR RESERVED IN A CONSUMER  
19 TRANSACTION SHALL ATTACH TO GOODS OR SERVICES ACQUIRED IN A  
20 PRIOR OR SUBSEQUENT CONSUMER TRANSACTION WITH THE SAME PERSON  
21 UNLESS THE CONTRACT OR AGREEMENT PROVIDES THAT PAYMENTS RECEIVED  
22 IN RESPECT OF UNPAID PRINCIPAL SHALL BE APPLIED FIRST TO THE  
23 UNPAID PRINCIPAL AMOUNT DUE IN RESPECT OF THE UNPAID DEBTS FIRST  
24 INCURRED. TO THE EXTENT THAT DEBTS ARE PAID ACCORDING TO THIS  
25 SUBSECTION, SECURITY INTERESTS IN ITEMS OF PROPERTY FOR WHICH  
26 SUCH DEBTS WERE FIRST INCURRED SHALL TERMINATE.

27 (C) NO CONTRACT OR AGREEMENT ENTERED INTO IN RESPECT OF A  
28 CONSUMER TRANSACTION SHALL GRANT A SECURITY INTEREST IN GOODS  
29 NOT ACQUIRED FROM OR FINANCED BY A DIRECT LOAN FROM THE SAME  
30 SECURED PARTY, BUT THIS SECTION SHALL NOT APPLY TO LOANS MADE BY

1 A LENDER WHICH IS NOT A RELATED LENDER WITH RESPECT TO THE  
2 TRANSACTION.

3 SECTION 13. CONSUMER PROPERTY EXEMPT FROM EXECUTION.--(A) IN  
4 ADDITION TO THE EXEMPTIONS PROVIDED BY OTHER LAW THE FOLLOWING  
5 PROPERTY SHALL BE EXEMPT FROM LEVY AND SALE UNDER A JUDGMENT  
6 OTHER THAN A JUDGMENT ON A PURCHASE MONEY SECURITY INTEREST,  
7 OBTAINED IN A PROCEEDING ARISING OUT OF A CONSUMER TRANSACTION:

8 (1) ALL MEDICAL HEALTH EQUIPMENT AND SUPPLIES USED FOR  
9 HEALTH PURPOSES BY THE DEBTOR, THE DEBTOR'S SPOUSE AND  
10 DEPENDENTS.

11 (2) TOOLS OF THE TRADE, INCLUDING ANY INCOME PRODUCING  
12 PROPERTY USED IN THE PRINCIPAL OCCUPATION OF THE DEBTOR, NOT TO  
13 EXCEED THE VALUE OF \$500.

14 (3) CLOTHING, AND OTHER WEARING APPAREL, AND FURNITURE,  
15 FURNISHINGS, APPLIANCES AND FIXTURES ORDINARILY AND GENERALLY  
16 USED FOR HOUSEHOLD PURPOSES IN THE PRINCIPAL RESIDENCE OF THE  
17 DEBTOR, TO THE VALUE OF \$1,500.

18 (B) THE DOLLAR VALUES OF ALL PROPERTY COMING WITHIN ANY  
19 CATEGORY OF THE EXEMPTION SHALL BE INITIALLY ESTIMATED BY THE  
20 OFFICER MAKING THE LEVY, IF AN EXCESS OVER THE EXEMPTION IS  
21 ASSERTED BY THE CREDITOR. IF THE EXCESS SO DETERMINED IS  
22 DISPUTED THE OFFICER MAKING THE LEVY SHALL FORTHWITH IMPANEL A  
23 JURY OF THREE CITIZENS FROM THE VICINITY WHO SHALL DETERMINE THE  
24 VALUE OF THE PROPERTY BY A MAJORITY VOTE. IF THE AMOUNT OF  
25 EXCESS OR ITS EXISTENCE IS STILL DISPUTED BY THE CREDITOR THE  
26 VALUE SHALL BE DETERMINED BY AN IMPARTIAL APPRAISER APPOINTED BY  
27 THE COURT AND THE CREDITOR SHALL PAY THE FEES AND EXPENSES OF  
28 THE APPRAISER. AS USED IN THIS SUBSECTION THE TERM "VALUE" MEANS  
29 THE AMOUNT THAT WOULD ORDINARILY BE REALIZED AT AN EXECUTION  
30 SALE OF THE PROPERTY INVOLVED.

1 (C) THE EXEMPTIONS PROVIDED IN THE PRECEDING SECTION SHALL  
2 NOT PREVENT THE LEVY UPON AND SALE OF PROPERTY SUBJECT TO A  
3 PURCHASE MONEY SECURITY INTEREST TO SATISFY A JUDGMENT OBTAINED  
4 FOR THE UNPAID PURCHASE PRICE, BUT AFTER SUCH LEVY AND SALE, THE  
5 FAIR MARKET VALUE OF THE PROPERTY IN THE RETAIL MARKET FOR SUCH  
6 PROPERTY LESS 10% FOR COSTS OF RESALE SHALL BE CREDITED UPON THE  
7 DEBT, AND NOT THE PRICE REALIZED AT THE EXECUTION SALE. ANY  
8 ATTEMPT TO COLLECT MORE THAN THE AMOUNT REMAINING UNPAID AFTER  
9 CREDITING SUCH MARKET VALUE IS A VIOLATION OF THIS ACT.

10 (D) AT THE TIME OF MAKING ANY LEVY UPON THE GOODS OR REAL  
11 ESTATE OF A CONSUMER, THE OFFICER MAKING THE LEVY SHALL GIVE THE  
12 CONSUMER A NOTICE SETTING FORTH THE EXEMPTIONS FROM EXECUTION TO  
13 WHICH THE CONSUMER IS ENTITLED AND SHALL NOT LEVY UPON ANY  
14 PROPERTY SPECIFICALLY EXEMPTED OR THEN DESIGNATED BY THE  
15 CONSUMER AS PROPERTY TO BE RETAINED WITHIN THE DOLLAR LIMITS OF  
16 ANY EXEMPTION OF PROPERTY UP TO A SPECIFIC DOLLAR LIMIT, EXCEPT,  
17 IN EACH CASE WHERE THE JUDGMENT WAS OBTAINED UPON A DEBT SECURED  
18 BY A PURCHASE MONEY SECURITY INTEREST IN THE PARTICULAR  
19 PROPERTY.

20 (E) NO WAIVER OF EXEMPTIONS SHALL BE EFFECTIVE.

21 SECTION 14. CIVIL RECOVERIES.--(A) WHEN A FINANCE CHARGE IS  
22 INVOLVED IN A CONSUMER TRANSACTION ANY PERSON WHO VIOLATES ANY  
23 PROVISION OF THIS ACT SHALL BE LIABLE FOR EACH VIOLATION TO EACH  
24 CONSUMER WITH RESPECT TO WHOM A VIOLATION IS COMMITTED IN AN  
25 AMOUNT EQUAL TO THE DAMAGES ACTUALLY SUFFERED, BUT IN ANY EVENT  
26 NOT LESS THAN THE CREDIT SERVICE CHARGE PLUS 10% OF THE  
27 PRINCIPAL AMOUNT OF THE DEBT OR THE TIME PRICE DIFFERENTIAL PLUS  
28 10% OF THE CASH PRICE. THE LIABILITY TO EACH CONSUMER UNDER THIS  
29 SUBSECTION SHALL NOT HOWEVER, EXCEED \$1,000 IN THE AGGREGATE, IN  
30 RESPECT OF ANY ONE TRANSACTION.

1 (B) WHEN A FINANCE CHARGE IS NOT INVOLVED IN A CONSUMER  
2 TRANSACTION ANY PERSON WHO VIOLATES A PROVISION OF THIS ACT  
3 SHALL BE LIABLE FOR EACH VIOLATION TO EACH CONSUMER WITH RESPECT  
4 TO WHOM THE VIOLATION IS COMMITTED FOR THE ACTUAL DAMAGES  
5 SUFFERED BUT IN ANY EVENT NOT LESS THAN 10% OF THE CASH PRICE OR  
6 TOTAL RENTAL TO BE CHARGED FOR EACH VIOLATION PLUS THE SUM OF  
7 \$100 BUT THE LIABILITY TO EACH CONSUMER IN RESPECT OF ANY ONE  
8 TRANSACTION SHALL NOT EXCEED \$1000 UNDER THIS SUBSECTION.

9 (C) IN A SUCCESSFUL ACTION TO RECOVER FOR A VIOLATION OF  
10 THIS ACT, THE CONSUMER SHALL ALSO RECOVER THE FEES AND EXPENSES  
11 OF ANY NECESSARY EXPERT WITNESSES AND A REASONABLE COUNSEL FEE  
12 BASED ON TIME REASONABLY SPENT WITHOUT REGARD TO THE AMOUNT IN  
13 CONTROVERSY BUT AFTER TAKING INTO ACCOUNT THE CONTINGENT NATURE  
14 OF CONSUMER REPRESENTATION.

15 (D) THE PROVISIONS OF THIS SECTION ARE SUBJECT TO THE  
16 PROVISIONS OF SECTION 15 (B).

17 SECTION 15. PUBLIC ENFORCEMENT.--(A) WHENEVER THE ATTORNEY  
18 GENERAL OR ANY DISTRICT ATTORNEY HAS REASON TO BELIEVE THAT ANY  
19 PERSON IS USING OR IS ABOUT TO USE ANY METHOD, FORM OF CONTRACT,  
20 OR ACT CONSTITUTING A VIOLATION OF THIS ACT, AND THAT  
21 PROCEEDINGS WOULD BE IN THE PUBLIC INTEREST THAT OFFICIAL MAY  
22 BRING AN ACTION IN THE NAME OF THE COMMONWEALTH AGAINST SUCH  
23 PERSON TO RESTRAIN BY INJUNCTION THE USE OF FURTHER USE OF SUCH  
24 METHOD, FORM OR CONTRACT OR ACT. THE ACTION MAY BE BROUGHT IN  
25 THE COURT OF COMMON PLEAS IN THE COUNTY IN WHICH SUCH PERSON  
26 RESIDES, HAS A PRINCIPAL PLACE OF BUSINESS OR IS DOING BUSINESS  
27 IN THIS COMMONWEALTH, OR IT MAY BE BROUGHT IN THE COMMONWEALTH  
28 COURT. THE COURTS ARE AUTHORIZED UPON PROPER PROOF OF THE  
29 VIOLATION OR PROPOSED VIOLATION TO ISSUE TEMPORARY OR PERMANENT  
30 INJUNCTIONS, WITHOUT BOND, TO PREVENT VIOLATIONS OF THIS ACT.



1 THE COURT MAY ALSO, IN A PROPER CASE, ORDER RESTITUTION TO ALL  
2 INJURED CONSUMERS ON SUCH TERMS AS JUSTICE MAY REQUIRE.

3 (B) EXCEPT WHERE RESTITUTION IS ORDERED, ANY SUCH PUBLIC  
4 ACTION SHALL NOT PRECLUDE PRIVATE ACTIONS UNDER SECTION 14 BUT  
5 WHERE RESTITUTION IS ORDERED, NO FURTHER INDIVIDUAL ACTIONS  
6 SHALL BE COMMENCED AND, ON MOTION ANY PENDING ACTION MAY BE  
7 STAYED OR DISMISSED AS JUSTICE MAY REQUIRE.

8 SECTION 16. DUTIES OF ATTORNEY GENERAL AND DISTRICT  
9 ATTORNEYS.--THE ATTORNEY GENERAL SHALL HAVE THE POWER AND IT  
10 SHALL BE HIS DUTY TO ENFORCE THIS ACT. EACH DISTRICT ATTORNEY  
11 SHALL HAVE THE POWER AND IT SHALL BE HIS DUTY SUBJECT TO THE  
12 GENERAL CONTROL OF THE ATTORNEY GENERAL TO ENFORCE THIS ACT IN  
13 HIS DISTRICT.

14 SECTION 17. EFFECT ON OTHER ACTS.--(A) THIS ACT SUPPLEMENTS  
15 THE ACT OF AUGUST 14, 1963 (P.L.1082, NO.464), KNOWN AS THE  
16 "HOME IMPROVEMENT FINANCE ACT," THE ACT OF OCTOBER 28, 1966 (1ST  
17 SP.SESS., P.L.55, NO.7), KNOWN AS THE "GOODS AND SERVICES  
18 INSTALLMENT SALES ACT," AND THE ACT OF JUNE 28, 1947 (P.L.1110,  
19 NO.476), KNOWN AS THE "MOTOR VEHICLE SALES FINANCE ACT." THE  
20 PROVISIONS OF EACH ACT SHALL BE CONSTRUED AS HARMONIOUS EXCEPT  
21 THAT IN THE CASE OF ANY CONFLICT THE PROVISIONS OF THIS ACT  
22 SHALL CONTROL.

23 (B) IN THE CASE OF CONFLICT BETWEEN THE PROVISIONS OF THIS  
24 ACT AND THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OF  
25 PENNSYLVANIA, THE PROVISIONS OF THIS ACT SHALL CONTROL.

26 (C) SECTION 208 OF THE HOME IMPROVEMENT FINANCE ACT AND  
27 SECTION 402 OF THE GOODS AND SERVICES INSTALLMENT SALES ACT ARE  
28 HEREBY REPEALED ABSOLUTELY.

29 SECTION 18. EFFECTIVE DATE.--THIS ACT SHALL TAKE EFFECT IN  
30 180 DAYS.