

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 67

Session of
1991

INTRODUCED BY F. TAYLOR, GALLEN, VAN HORNE, HAGARTY, GIGLIOTTI, KOSINSKI, BOYES, REBER, NAILOR, BUNT, CORRIGAN, ROBINSON, HALUSKA, TRELLO, FARGO, VROON, LESCOVITZ, ITKIN, HECKLER, COY, LINTON, MAIALE, S. H. SMITH, GEIST, LUCYK, G. SNYDER, PRESTON, OLASZ, GLADECK, RAYMOND, STABACK, McCALL AND STEIGHNER, JANUARY 15, 1991

AS REPORTED FROM COMMITTEE ON BUSINESS AND COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JANUARY 28, 1991

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," reenacting and amending provisions
8 relating to service charges and restricting collection
9 activities.

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

12 Section 1. Section 501(a) and (b) of the act of October 28,
13 1966 (1st Sp.Sess., P.L.55, No.7), known as the Goods and
14 Services Installment Sales Act, reenacted July 11, 1989
15 (P.L.573, No.57), are reenacted to read:

16 Section 501. (a) A seller may, in a retail installment
17 contract, contract for and, if so contracted for, the holder
18 thereof may charge, receive and collect a service charge
19 measured for a period between the date of such contract and the

1 due date of the last installment and calculated for that period
2 according to the actuarial method of computation or by
3 application of the United States rule at a rate which does not
4 exceed the equivalent of eighteen percent (18%) simple interest
5 per annum.

6 (b) Notwithstanding the rates provided for in this section,
7 no issuer of a credit card primarily engaged as a seller or
8 distributor of gasoline shall be permitted to charge, receive or
9 collect a service charge in excess of fifteen percent (15%)
10 simple interest per annum on unpaid balances.

11 * * *

12 Section 2. Section 604 of the act is amended to read:

13 Section 604. After the payment of all sums for which the
14 buyer is obligated under a contract and upon demand made by the
15 buyer, the holder shall deliver, or mail to the buyer at his
16 last known address, such one or more good and sufficient
17 instruments as may be necessary to acknowledge payment in full
18 and to release all security in the goods under such contract.

19 A seller or holder shall not, in the course of collecting an
20 obligation pursuant to this act, communicate or threaten to
21 communicate with the buyer's employer or any agent of the
22 employer (other than to verify employment or to leave a message
23 for the buyer to return a telephone call), or any other person
24 not liable for the obligation other than the buyer's spouse, an
25 adult member of the buyer's household or the attorney of the
26 buyer, except to acquire location information with regard to the
27 buyer from such person (without disclosing the fact of the
28 obligation) or as permitted by order of a court or as reasonably
29 necessary to effectuate a post-judgment judicial remedy.

30 Section 3. Section 904(a) of the act, reenacted July 11,

1 1989 (P.L.573, No.57), is reenacted to read:

2 Section 904. Subject to the other provisions of this article
3 the seller or holder of a retail installment account may charge,
4 receive and collect the service charge authorized by this act.
5 The service charge shall not exceed the following rates computed
6 on the outstanding balances from month to month:

7 (a) On the outstanding balance, one and one-half percent (1
8 1/2%) per month.

9 * * *

10 Section 4. Sections 904.2(c) and 904.3 of the act, reenacted
11 and amended July 11, 1989 (P.L.573, No.57), are reenacted and
12 amended to read:

13 Section 904.2. * * *

14 (c) [This] Subsection (a) of this section shall expire on

15 June 30, 1995 JUNE 1, 1994, unless extended by statute. <—

16 Subsection (b) of this section shall expire three (3) years from
17 February 26, 1988, unless extended by statute.

18 Section 904.3. The rates permitted under sections 501(a) and
19 904(a) shall automatically revert to the rates in effect on
20 March 24, 1982, unless specifically reenacted on or before
21 [February 26, 1991] June 30, 1995 JUNE 1, 1994. <—

22 Section 5. This act shall take effect immediately.