

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 444 Session of
1997

INTRODUCED BY DeLUCA, LAUGHLIN, GIGLIOTTI, MELIO, OLASZ, CURRY,
RAMOS, LEDERER, PESCI, CAWLEY, BELARDI AND MIHALICH,
FEBRUARY 11, 1997

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, FEBRUARY 11, 1997

AN ACT

1 Amending the act of December 16, 1992 (P.L.1144, No.150),
2 entitled "An act regulating credit services; prohibiting
3 certain activities; providing for certain information to be
4 given to buyers, for the contents of contracts and for
5 enforcement; prohibiting advance fees by loan brokers; and
6 providing penalties," further providing for prohibited
7 activities.

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

10 Section 1. Section 3 of the act of December 16, 1992
11 (P.L.1144, No.150), known as the Credit Services Act, is amended
12 to read:

13 Section 3. Prohibited activities.

14 A credit services organization and its salespersons, agents
15 and representatives who sell or attempt to sell the services of
16 a credit services organization shall not do any of the
17 following:

18 (1) Charge or receive any money or other valuable
19 consideration prior to full and complete performance of the
20 services the credit services organization has agreed to

1 perform for or on behalf of the buyer unless the credit
2 services organization has, in conformity with section 7,
3 either obtained a surety bond issued by a surety company
4 admitted to do business in this Commonwealth or established a
5 trust account at a bank, bank and trust company, trust
6 company, savings bank, Federal savings and loan association
7 or savings bank located in this Commonwealth or savings
8 association or any subsidiary or affiliate of such
9 institution whose deposits are eligible for insurance by the
10 Federal Deposit Insurance Corporation, the Savings
11 Association Insurance Fund of the Federal Deposit Insurance
12 Corporation or the Pennsylvania Savings Association Insurance
13 Corporation. If a credit services organization has obtained a
14 surety bond or established a trust account, the salesperson,
15 agents and representatives who sell the services of such
16 organization shall not be required to obtain the surety bond
17 or establish the trust account provided for by this act.

18 (2) Charge or receive any money or other valuable
19 consideration solely for referral of the buyer to a retail
20 seller who will or may extend credit to the buyer if the
21 credit which is or will be extended to the buyer is upon
22 substantially the same terms as those available to the
23 general public.

24 (3) Make or counsel or advise any buyer to make any
25 statement which is untrue or misleading and which is known,
26 or which by the exercise of reasonable care should be known,
27 to be untrue or misleading, to a consumer credit reporting
28 agency or to any person who has extended credit to a buyer or
29 to whom a buyer is applying for an extension of credit with
30 respect to a buyer's creditworthiness, credit standing or

1 credit capacity.

2 (4) Make or use any untrue or misleading representations
3 in the offer or sale of the services of a credit services
4 organization or engage directly or indirectly in any act,
5 practice or course of business which operates or would
6 operate as a fraud or deception upon any person in connection
7 with the offer or sale of the services of a credit services
8 organization.

9 (5) Make or use an advertisement which guarantees that
10 the buyer will obtain credit.

11 (6) Provide any information to a buyer or any other
12 person or entity regarding a borrower's telephone calls to a
13 number beginning with the digits 900.

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