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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 2428** Session of  
2008

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INTRODUCED BY FRANKEL, MUSTIO, BELFANTI, BENNINGTON, BOYD,  
BUXTON, CALTAGIRONE, CARROLL, CLYMER, COSTA, CREIGHTON,  
DeLUCA, DENLINGER, DERMODY, DONATUCCI, EACHUS, ELLIS,  
EVERETT, GERBER, GRELL, HALUSKA, HARKINS, HARRIS, HENNESSEY,  
HERSHEY, JOSEPHS, W. KELLER, KENNEY, KORTZ, KOTIK, KULA,  
LEACH, LEVDANSKY, LONGIETTI, MANDERINO, MANN, MARKOSEK,  
MARSHALL, McGEEHAN, McILHATTAN, MELIO, MICOZZIE, R. MILLER,  
MILNE, MOUL, MOYER, MUNDY, MURT, MYERS, NICKOL, M. O'BRIEN,  
PETRARCA, PETRONE, PHILLIPS, PYLE, READSHAW, REED, REICHLEY,  
SAINATO, SAMUELSON, SHAPIRO, SIPTROTH, M. SMITH, SONNEY,  
STURLA, SURRA, J. TAYLOR, TURZAI, WAGNER, WALKO, WANSACZ,  
WATSON, WHEATLEY, J. WHITE, YOUNGBLOOD AND ROAE,  
APRIL 15, 2008

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REFERRED TO COMMITTEE ON INSURANCE, APRIL 15, 2008

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AN ACT

1 Regulating the amount of property insurance coverage required by  
2 certain lenders.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Mortgage  
7 Property Insurance Coverage Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall  
10 have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 "Lender." Any bank, savings bank, savings and loan

1 association, credit union, mortgage bank, mortgage broker,  
2 finance company, consumer discount company or other financial  
3 institution or person that lends money to a borrower and secures  
4 the loan by a mortgage given by the borrower on real property or  
5 by placing a lien against real property.

6 "Property insurance coverage." Real property insurance  
7 against losses caused by perils that commonly are covered in  
8 insurance policies described with terms similar to "standard  
9 fire" or "standard fire with extended coverage."

10 Section 3. Restriction.

11 No lender may require a borrower, as a condition of obtaining  
12 or maintaining a secured loan, to obtain property insurance  
13 coverage which exceeds the replacement value of buildings and  
14 structures situate on the land used to secure the loan. A  
15 borrower on a loan secured by real property may not be required  
16 to insure the value of the land.

17 Section 10. Effective date.

18 This act shall take effect immediately.