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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2429 Session of  
2018

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INTRODUCED BY HEFFLEY, JAMES, SCHWEYER, MARSICO AND FRITZ,  
MAY 23, 2018

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REFERRED TO COMMITTEE ON COMMERCE, MAY 23, 2018

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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 definitions, for  
7 prohibited activities, for contents of information sheet and  
8 for contract.

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

11 Section 1. The definition of "credit services organization"  
12 in section 2 of the act of December 16, 1992 (P.L.1144, No.150),  
13 known as the Credit Services Act, is amended to read:

14 Section 2. Definitions.

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

18 \* \* \*

19 "Credit services organization."

20 (1) A person who, with respect to the extension of  
21 credit by others, sells, provides or performs or represents

1 that he or she can or will sell, provide or perform any of  
2 the following services in return for the payment of money or  
3 other valuable consideration, which shall not be considered  
4 interest:

5 (i) Improving a buyer's credit record, history or  
6 rating.

7 (ii) Obtaining an extension of credit for a buyer.

8 (iii) Providing advice or assistance to a buyer with  
9 regard to either subparagraph (i) or (ii).

10 (2) The term shall not include any of the following:

11 (i) Any person organized, chartered or holding a  
12 license or authorization certificate to make loans or  
13 extensions of credit pursuant to the laws of the  
14 Commonwealth or the United States who is subject to  
15 regulation and supervision by an official or agency of  
16 the Commonwealth or the United States.

17 (ii) Any bank, bank and trust company, trust  
18 company, savings bank, Federal savings and loan  
19 association or savings bank located in this Commonwealth  
20 or savings association or any subsidiary or affiliate of  
21 such institution whose deposits are eligible for  
22 insurance by the Federal Deposit Insurance Corporation,  
23 the Savings Association Insurance Fund of the Federal  
24 Deposit Insurance Corporation or the Pennsylvania Savings  
25 Association Insurance Corporation.

26 (iii) Any nonprofit organization exempt from  
27 taxation under section 501(c)(3) of the Internal Revenue  
28 Code of 1954 (68A Stat. 3, 26 U.S.C. § 1 et seq.).

29 (iv) Any person licensed as a real estate broker  
30 where the person is acting within the course and scope of

1           that license.

2           (v) Any person admitted to practice law in this  
3 Commonwealth where the person renders services within the  
4 course of such practice.

5           (vi) Any broker-dealer registered with the  
6 Securities and Exchange Commission or the Commodity  
7 Futures Trading Commission where the broker-dealer is  
8 acting within the course and scope of such regulation.

9           (vii) Any consumer reporting agency as defined in  
10 the Fair Credit Reporting Act (Public Law 91-508, 15  
11 U.S.C. § 1681 et seq.).

12         \* \* \*

13         Section 2. Section 3 of the act is amended by adding a  
14 paragraph to read:

15         Section 3. Prohibited activities.

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

20         \* \* \*

21           (6) Obtain or assist in obtaining an extension of credit  
22 for a buyer from one or more entities not under common  
23 ownership or control without assessing the buyer's ability to  
24 repay the extension of credit.

25         Section 3. Sections 5(3) and 6(a)(2) of the act are amended  
26 to read:

27         Section 5. Contents of information sheet.

28         The information sheet shall include all of the following:

29         \* \* \*

30           (3) A complete and detailed description of the services

1 to be performed by the credit services organization for or on  
2 behalf of the buyer and the total amount, including fees and  
3 interest, the buyer will have to pay or become obligated to  
4 pay for the services.

5 \* \* \*

6 Section 6. Contract.

7 (a) Contents.--Every contract between the buyer and a credit  
8 services organization for the purchase of the services of the  
9 credit services organization shall be in writing, shall be  
10 dated, shall be signed by the buyer and shall include all of the  
11 following:

12 \* \* \*

13 (2) The terms and conditions of payment, including the  
14 total of all payments to be made by the buyer, whether to the  
15 credit services organization or to some other person. The  
16 total of all payments shall include fees and interest.

17 \* \* \*

18 Section 4. This act shall take effect in 60 days.