
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2508 Session of
2020

INTRODUCED BY CIRESI, HANBIDGE, GALLOWAY, ULLMAN, WILLIAMS,
DELLOSO, DeLUCA, McCLINTON, SHUSTERMAN, WEBSTER, SANCHEZ,
KORTZ, KENYATTA, OTTEN AND TOMLINSON, MAY 13, 2020

REFERRED TO COMMITTEE ON COMMERCE, MAY 13, 2020

AN ACT

1 Providing for loan deferrals, repayment plans and loan
2 modifications by certain financial institutions for small
3 businesses during the COVID-19 disaster emergency.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the COVID-19
8 Banking on Small Business Act.

9 Section 2. Definitions.

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

13 "COVID-19 disaster emergency." The proclamation of disaster
14 emergency issued by the Governor on March 6, 2020, published at
15 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of
16 disaster emergency.

17 "Credit union." A Pennsylvania State-chartered credit union.

18 "Department." The Department of Banking and Securities of

1 the Commonwealth.

2 "Licensee." A corporation, person or any other type of
3 business entity required to be licensed by the Department of
4 Banking and Securities. The term does not include a licensee or
5 registrant under the act of December 5, 1972 (P.L.1280, No.284),
6 known as the Pennsylvania Securities Act of 1972.

7 "Secretary." The Secretary of Banking and Securities of the
8 Commonwealth.

9 "Small business." Any for-profit business, industry or trade
10 operating with a physical location in this Commonwealth,
11 regardless of whether that physical location is open to the
12 public, and employs not more than 100 individuals.

13 Section 3. COVID-19 Banking on Small Business Program.

14 (a) Establishment.--The COVID-19 Banking on Small Business
15 Program is established within the department to provide
16 cooperation between small businesses and State-chartered banks,
17 credit unions and licensees during the COVID-19 disaster
18 emergency. State-chartered banks, credit unions and licensees
19 may offer loan deferrals, repayment plans and loan modifications
20 to eligible small businesses as provided under this section.

21 (b) Eligibility.--A small business shall be eligible for a
22 loan deferral, repayment plan or loan modification under this
23 section if:

24 (1) The small business demonstrates that it has been
25 adversely impacted by the COVID-19 disaster emergency.

26 (2) The small business is current on its loan or
27 mortgage payments with the State-chartered bank, credit union
28 or licensee.

29 (c) Loan deferral, repayment plant or loan modification.--To
30 ensure a small business does not fall behind on loan or mortgage

1 payments, at the request of a small business, a State-chartered
2 bank, credit union or licensee may provide a loan deferral,
3 repayment plan or loan modification to a small business.

4 (d) Conditions.--If a small business receives a loan
5 deferral, repayment plan or loan modification under this section
6 and fails to comply with the terms of the agreement relating to
7 the loan deferral, repayment plan or loan modification, the
8 small business shall be subject to any penalties and costs
9 established by the State-chartered banks, credit unions or
10 licensees.

11 (e) Reporting.--State-chartered banks, credit unions and
12 licensees shall report information on each loan deferral,
13 repayment plan or loan modification provided under this section
14 to the department in a form and manner prescribed by the
15 department.

16 (f) Expiration.--This act shall expire two years after the
17 effective date of this section.

18 Section 4. Effective date.

19 This act shall take effect immediately.