
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 77 Session of
2021

INTRODUCED BY CIRESI, GALLOWAY, HILL-EVANS, MALAGARI,
SHUSTERMAN, SCHLOSSBERG, SANCHEZ, DeLUCA, HOHENSTEIN,
D. WILLIAMS AND PASHINSKI, JANUARY 11, 2021

REFERRED TO COMMITTEE ON COMMERCE, JANUARY 11, 2021

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

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

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

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

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

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

27 (c) Loan deferral, repayment plan or loan modification.--To
28 ensure a small business does not fall behind on loan or mortgage
29 payments, at the request of a small business, a State-chartered
30 bank, credit union or licensee may provide a loan deferral,

1 repayment plan or loan modification to a small business.

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

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

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

16 Section 4. Effective date.

17 This act shall take effect immediately.