
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 78 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
3 nonprofits 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 Nonprofits 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. The
4 term does not include a licensee or registrant under the act of
5 December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania
6 Securities Act of 1972.

7 "Nonprofit." A nonprofit organization operating with a
8 physical location in this Commonwealth, regardless of whether
9 that physical location is open to the public, and employs not
10 more than 50 full-time and 50 part-time individuals.

11 Section 3. COVID-19 Banking on Nonprofits Program.

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

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

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

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

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

1 plan or loan modification to a nonprofit.

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

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

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

15 Section 4. Effective date.

16 This act shall take effect immediately.