

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1792 Session of 2023

INTRODUCED BY HOWARD, MADDEN, KINSEY, SANCHEZ, HILL-EVANS,
 DELLOSO, CIRESI, D. WILLIAMS, CERRATO, PARKER AND GREEN,
 OCTOBER 24, 2023

REFERRED TO COMMITTEE ON COMMERCE, OCTOBER 24, 2023

AN ACT

1 Amending the act of January 30, 1974 (P.L.13, No.6), entitled
 2 "An act regulating agreements for the loan or use of money;
 3 establishing a maximum lawful interest rate in the
 4 Commonwealth; providing for a legal rate of interest;
 5 detailing exceptions to the maximum lawful interest rate for
 6 residential mortgages and for any loans in the principal
 7 amount of more than fifty thousand dollars and Federally
 8 insured or guaranteed loans and unsecured, noncollateralized
 9 loans in excess of thirty-five thousand dollars and business
 10 loans in excess of ten thousand dollars; providing
 11 protections to debtors to whom loans are made including the
 12 provision for disclosure of facts relevant to the making of
 13 residential mortgages, providing for notice of intention to
 14 foreclose and establishment of a right to cure defaults on
 15 residential mortgage obligations, provision for the payment
 16 of attorney's fees with regard to residential mortgage
 17 obligations and providing for certain interest rates by banks
 18 and bank and trust companies; clarifying the substantive law
 19 on the filing of and execution on a confessed judgment;
 20 prohibiting waiver of provisions of this act, specifying
 21 powers and duties of the Secretary of Banking, and
 22 establishing remedies and providing penalties for violations
 23 of this act," in preliminary provisions, further providing
 24 for definitions; and, in protective provisions, providing for
 25 truth in lending.

26 The General Assembly of the Commonwealth of Pennsylvania
 27 hereby enacts as follows:

28 Section 1. Section 101 of the act of January 30, 1974
 29 (P.L.13, No.6), referred to as the Loan Interest and Protection

1 Law, is amended by adding definitions to read:

2 Section 101. Definitions.--As used in this act:

3 * * *

4 "Provider" means:

5 (a) A person who extends a specific offer of commercial
6 financing to a recipient.

7 (b) A nondepository institution that enters into a written
8 agreement with a depository institution to arrange for the
9 extension of commercial financing by the depository institution
10 to a recipient via an online lending platform administered by
11 the nondepository institution.

12 * * *

13 "Small business" means a business of fewer than five hundred
14 (500) employees that is presented a specific commercial
15 financing offer by a provider.

16 Section 2. The act is amended by adding a section to read:

17 Section 407.1. Truth in Lending.--(a) A provider subject to
18 this act shall disclose the following information, if
19 applicable, to a small business at the time of executing a
20 specific commercial financing offer and shall obtain a signature
21 of the small business's agent for each disclosure before
22 executing the commercial financing transaction:

23 (1) The total amount of funds provided.

24 (2) The total dollar cost of the financing.

25 (3) The term or estimated term.

26 (4) The method, frequency and amount of each payment.

27 (5) A description of prepayment policies.

28 (6) The total cost of the financing expressed as an
29 annualized rate.

30 Section 3. This act shall take effect in 60 days.