
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1793 Session of
2021

INTRODUCED BY HOWARD, DELLOSO, FREEMAN, INNAMORATO, KINSEY,
MADDEN, SCHLOSSBERG, CIRESI AND SIMS, AUGUST 18, 2021

REFERRED TO COMMITTEE ON COMMERCE, AUGUST 18, 2021

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 * * *

3 "Provider" means:

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

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

11 * * *

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

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

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

22 (1) The total amount of funds provided.

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

24 (3) The term or estimated term.

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

26 (5) A description of prepayment policies.

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

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