

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2202 Session of 2018

INTRODUCED BY RYAN, GILLEN, PHILLIPS-HILL, KEEFER, SANKEY,
WATSON AND ZIMMERMAN, APRIL 18, 2018

REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 18, 2018

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 protective provisions, providing for
 24 appraisal and final sale price of property.

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

27 Section 1. The act of January 30, 1974 (P.L.13, No.6),
 28 referred to as the Loan Interest and Protection Law, is amended
 29 by adding a section to read:

1 Section 404.1. Appraisal and Final Sale Price of Property.--

2 (a) Notwithstanding the provisions of any other law, after a
3 notice of intention to foreclose has been given pursuant to
4 section 403 of this act, the following shall apply:

5 (1) Except as provided under paragraph (2), a residential
6 mortgage lender shall have the property which is the subject of
7 a residential mortgage appraised by a real estate appraiser
8 licensed or certified by the State Board of Certified Real
9 Estate Appraisers.

10 (2) If no residential mortgage lender exists, the entity
11 initiating the foreclosure shall have the property which is the
12 subject of a residential mortgage appraised by a real estate
13 appraiser licensed or certified by the State Board of Certified
14 Real Estate Appraisers.

15 (b) The final sale price of the property subject to a
16 sheriff sale or other judicial sale shall exceed eighty per cent
17 of the appraised value of the property as determined by the
18 appraisal conducted under subsection (a) of this section. If the
19 final sale price of the property subject to a sheriff sale or
20 other judicial sale does not exceed eighty per cent of the
21 appraised value of the property as determined by the appraisal
22 conducted under subsection (a) of this section, the transaction
23 shall not proceed.

24 (c) The provisions of this section shall not apply to the
25 following:

26 (1) abandoned property; and

27 (2) rental property.

28 Section 2. This act shall take effect in 60 days.