

No. 378

AN ACT

Amending the act of May 15, 1933 (P. L. 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," further regulating the making of installment loans.

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

Banking Code.

Section 1. Subclauses (a) and (b) of clause (4) of subsection A of section 1001, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended July 27, 1953 (P. L. 600) and subclause (b), amended July 26, 1961 (P. L. 892), are amended to read:

Subclauses (a) and (b), clause (4), subsection A, section 1001, act of May 15, 1933, P. L. 624, amended July 27, 1953, P. L. 600, and subclause (b), amended July 26, 1961, P. L. 892, further amended.

Section 1001. Powers of Banks, Bank and Trust Companies, or Trust Companies.—A. In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to a bank or a bank and trust company elsewhere in this act, a bank or a bank and trust company shall have the following powers, subject to the limitations and restrictions imposed by this act:

* * * * *

(4) (a) To lend money either upon the security of real or personal property, or otherwise; to charge or to receive in advance interest therefor; to contract for a charge for a secured or unsecured installment loan, which in principal amount shall not exceed [thirty-five hundred] *five thousand* dollars, and which under its terms shall be repayable in substantially equal installments over a period not exceeding [three] *five* years, which charge shall be at a rate not exceeding six dollars per one hundred dollars per annum upon the original face amount of the instrument or instruments evidencing the loan for the entire period of the loan, and which

such charge may be collected in advance: Provided, That if the entire unpaid balance outstanding on a loan is paid by cash, renewal, or otherwise at any time prior to maturity, the bank or bank and trust company, shall give a refund or credit of the unearned portion of such charge, which refund or credit shall represent at least as great a proportion of the original charge as the sum of the periodical time balances after the date of prepayment bears to the sum of all the periodical time balances under the schedule of payments in the original instrument or instruments evidencing the loan: Provided, however, That the bank, or bank and trust company, shall not be required to make a refund or credit where the amount thereof, computed as herein set forth, would be less than one dollar for each loan paid prior to the maturity date. No additional amount shall be charged or contracted for, directly or indirectly, on or in connection with any such installment loan, except the following: [(a)] (i) Delinquency charges not to exceed five cents for each dollar of each installment more than fifteen days in arrears: Provided, That the total of delinquency charges on any such installment loan shall not exceed [fifteen] *twenty-five* dollars, and only one delinquency charge shall be made on any one installment; [(b)] (ii) *a charge for an extension for a period of not exceeding six months of not more than one per centum per month or fractional month period in excess of fifteen days of the then unpaid balance on such installment loan may be made;* (iii) Premiums paid by the bank, or bank and trust company, for insurance required or obtained as security for or by reason of such installment loan; [(c)] (iv) Such amounts as are necessary to reimburse the bank, or bank and trust company, for fees paid to a public officer for filing, recording, or releasing any instrument or lien; and the actual expenditures including reasonable attorneys' fees for legal process or proceedings, to secure or collect any such installment loan. Any advertising concerning such installment loans which contains a statement of an amount, or rate of charge, shall also contain the percentage rate, either per month or per year, computed on declining balances of the face amount of the loan instrument to which such charge would be equivalent if the loan were repaid according to contract: Provided, That this requirement may be complied with by stating the equivalent percentage rate which would earn the charge for such a loan repayable in twelve equal consecutive monthly installments, and such stated rate may be closely approximate, rather than exact, if the statement so indicates: And provided further, That this requirement shall not apply to an advertisement in which an amount, or rate of charge, is indicated only by a table which

contains and is confined to examples of the face amount of the loan instrument, the proceeds to the borrower exclusive of the charge, and the amount, number and intervals of the required payments.

(b) The aggregate amount of unpaid principal due from any one borrower on one or more installment loans granted pursuant to the provisions of [this clause (4)] *subclause (a) hereof shall not at any time exceed [thirty-five hundred dollars] the principal amounts set forth in such subclause (a).*

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Section 2. This act shall take effect immediately.

Act effective
immediately.

APPROVED—The 13th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 379

AN ACT

Amending the act of June 3, 1937 (P. L. 1333), entitled "An act concerning elections, including general, municipal, special and primary elections, the nomination of candidates, primary and election expenses and election contests; creating and defining membership of county boards of elections; imposing duties upon the Secretary of the Commonwealth, courts, county boards of elections, county commissioners; imposing penalties for violation of the act, and codifying, revising and consolidating the laws relating thereto; and repealing certain acts and parts of acts relating to elections," authorizing and providing procedures whereby certain qualified registered electors absent from or unable to attend their regular polling places may cast their votes; authorizing and providing procedures for the absentee voting by certain personnel of the Federal Government and of this Commonwealth, including their spouses and dependents in the event they are qualified registered electors; imposing additional duties upon the Secretary of the Commonwealth, various county boards of elections and election officers, courts, various registration commissions, chairmen of political parties or committees, and officers and employees of certain political subdivisions; changing the method of marking ballots; further regulating the procedures for the voting of qualified electors serving in the armed forces of the United States and certain qualified bedridden or hospitalized veterans; authorizing and providing assistance in voting for certain absentee voters; further regulating the dates for furnishing information as to offices to be filled for filing and circulating nomination petitions and nomination papers; further regulating the time within which writs of election may issue for holding special elections to fill vacancies occurring in the offices of United States Senators, Representatives in Congress, Representatives in either House of the General Assembly, councils or legislative bodies of cities, boroughs, towns and townships, and further regulating the dates for filing nomination certificates, withdrawals of nominated candidates, vacancies for failure to pay filing fees or for failure to file loyalty oath, substituted nomination certificates and fur-