

## LEGISLATURE OF PENNSYLVANIA.

## FILE OF THE HOUSE OF REPRESENTATIVES.

No. **799** Session of  
1919.

INTRODUCED BY MR. ALLUM, MARCH 5, 1919.

REFERRED TO COMMITTEE ON BANKS AND BANKING,  
MARCH 10, 1919.

## AN ACT

Authorizing the Commonwealth of Pennsylvania to loan money to honorably discharged soldiers sailors and marines for certain purposes creating a commission on Soldiers' and Sailors' Loan to have supervision and control of such loans defining the powers and duties of the commission and making an appropriation

1 Section 1 *Be it enacted by the Senate and House of Repre-*  
2 *sentatives of the Commonwealth of Pennsylvania in General Assembly*  
3 *met and it is hereby enacted by the authority of the same That*  
4 *it shall be lawful for the Commonwealth of Pennsylvania*  
5 *to loan money at interest to honorably discharged sol-*  
6 *diers sailors and marines residing within this Common-*  
7 *wealth who desire such money for the purpose of pur-*  
8 *chasing a house farm or other place of dwelling for*  
9 *themselves or dependents Such loans shall be made by*  
10 *and with the approval of a commission to be known as*

1 the Commission on Soldiers and Sailors' Loans which shall  
2 consist of the Attorney General Auditor General and State  
3 Treasurer of the Commonwealth The Attorney General  
4 shall be the chairman and the State Treasurer shall be  
5 the treasurer of said commission

6 Section 2 The commission may appoint and fix the  
7 compensation of a secretary and such law clerks steno-  
8 graphers and other employes as may be necessary to  
9 properly carry out the provisions of this act The com-  
10 missioners however shall serve without pay but shall re-  
11 ceive such necessary and actual traveling expenses as may  
12 be incurred in performing the duties herein imposed

13 Section 3 The principal office of the commission shall  
14 be established and maintained at Harrisburg where the  
15 meetings of such commission shall from time to time be  
16 held It may also establish and maintain such branch  
17 offices throughout the State as may be necessary for the  
18 transaction of its business The Board of Public Grounds  
19 and Buildings shall provide such offices and shall prop-  
20 erly equip the same with furniture supplies and stationery

21 Section 4 It shall be the duty of the commission  
22 to formulate and adopt plans for the purpose of carry-  
23 ing into effect the provisions of this act and to make  
24 such rules and regulations consistent with the provisions  
25 herein contained as it shall deem necessary

26 Section 5 Any soldier sailor or marine residing within  
27 this Commonwealth who has received his honorable dis-  
28 charge from the army or navy of the United States  
29 desiring to borrow money from the Commonwealth for the

1 purpose of purchasing a house or farm or other place  
2 of dwelling for himself or dependents shall make applica-  
3 tion therefor to the Commission on Soldiers' and Sailors'  
4 Loans upon application blanks provided for that purpose  
5 Such application shall set forth the name of the ap-  
6 plicant for the loan the name of the applicant's wife  
7 if he has one the name of the county and of the  
8 city borough town or township in which the property  
9 proposed to be purchased is situated the value of the  
10 property a description of the property the amount of  
11 money which he desires to borrow the length of time  
12 for which such loan is to be made and such additional  
13 facts as the commission may require

14 Such application shall be accompanied by an examina-  
15 tion fee to be fixed by the commission which shall be  
16 paid by the applicant and shall cover the cost of mak-  
17 ing the abstract of title as hereinafter provided and such  
18 other incidental expenses in procuring the loan as may  
19 be necessary

20 Section 6 Upon receiving such application and examina-  
21 tion fee the commission shall have an abstract of the  
22 title of the property proposed to be purchased prepared  
23 by one of its law clerks or by an attorney specially  
24 appointed for the purpose of the county in which the  
25 property is situated If after an examination of the ab-  
26 stract of title and any other facts available the com-  
27 mission is satisfied that the title is good that there are  
28 no encumbrances against such property and that the prop-  
29 erty is of the value as set forth in the application it

1 may approve such application and thereupon shall make  
2 the loan applied for. The amount of money loaned how-  
3 ever shall not in any case exceed seventy-five per centum  
4 of the clear market value or purchase price of such  
5 property.

6 Section 7 Before any loan is made a bond in  
7 double the amount of the money loaned and a mortgage  
8 to secure the same shall be made to the Commonwealth  
9 of Pennsylvania as the obligee and mortgagee of such  
10 bond and mortgage and the applicant shall execute and  
11 deliver the same to the commission. No mortgage shall  
12 be accepted by the Commission unless when entered for  
13 recording it shall be a first lieu against the property  
14 purchased. All such mortgages shall be recorded at the ex-  
15 pense of the applicant in the county in which such prop-  
16 erty is situated and all other laws relating to the re-  
17 cording of mortgages in this Commonwealth shall apply  
18 with like force and effects to such mortgages.

19 Section 8 The rate of interest to be charged for  
20 any money loaned under the authority of this act shall  
21 be three per centum per annum and shall be payable  
22 in semi-annual installments. The commission shall fix the  
23 time during which a loan shall run and shall provide  
24 the manner in which renewals thereof shall be made. It  
25 shall also prescribe the amount of insurance to be car-  
26 ried on the property for the protection of the Common-  
27 wealth and shall impose such other conditions as shall  
28 be deemed necessary to secure the payments of the loan.

29 Section 9 Upon the payment in full of such loan

1 together with the accrued interest charges and costs the  
2 commission shall surrender and deliver the bond and the  
3 mortgage given to secure the bond to the obligor and  
4 mortgagor therein or his duly authorized agent and shall  
5 cause such mortgage to be satisfied of record either by  
6 itself or through a person fully authorized by its let-  
7 ter of attorney to act for it In case however default  
8 is made in the payment of the principal or any install-  
9 ment of interest when due or if the designated amount  
10 of insurance is not carried or if any conditions of the  
11 commission to secure the payment of such loan are not  
12 complied with the Commonwealth acting through the com-  
13 mission or one of its duly authorized attorneys shall have  
14 the same rights and powers to proceed on the bond or  
15 mortgage to collect such principal interest charges and  
16 costs as any other obligee or mortgagee may now or  
17 hereafter possess under the laws of this Commonwealth

18 Section 10 All re-paid principal accrued interest fees  
19 and charges received by the commission shall be paid at  
20 least once in every three months into the State Treasury  
21 and shall be subject to appropriation in the same man-  
22 ner as other moneys therein are now appropriated

23 Section 11 For the purpose of paying the expenses  
24 of the commission and the salaries of its employes and  
25 for making such loans as herein provided there is hereby  
26 appropriated the sum of five hundred thousand dollars or  
27 so much thereof as may be necessary for the two fiscal  
28 years beginning the first day of June one thousand nine  
29 hundred and nineteen