

No. 18

AN ACT

SB 1052

Repealing the act of June 17, 1915 (P.L.1012, No.432), entitled, as amended, "An act regulating the business of loaning money in sums of six hundred (\$600) dollars or less, either with or without security, to individuals pressed by lack of funds to meet immediate necessities; fixing the rates of interest and charges therefor; requiring the licensing of lenders; and prescribing penalties for the violation of this act."

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

Section 1. The act of June 17, 1915 (P.L.1012, No.432), entitled, as amended, "An act regulating the business of loaning money in sums of six hundred (\$600) dollars or less, either with or without security, to individuals pressed by lack of funds to meet immediate necessities; fixing the rates of interest and charges therefor; requiring the licensing of lenders; and prescribing penalties for the violation of this act," is repealed

Section 2. Notwithstanding the repeal of the act, any person holding a valid license under the act may collect and receive principal, interest and charges and otherwise collect and enforce any obligation due such person made under and pursuant to the act according to the terms of such obligation.

Section 3. (a) Any person, holding a valid license under the act of June 17, 1915 (P.L.1012, No.432), on the effective date of this act:

(1) If a domestic corporation, shall, upon application filed within six months of the effective date of this act, be entitled to license under the provisions of the act of April 8, 1937 (P.L.262, No.66), known as the "Consumer Discount Company Act," for each place of business for which it holds a license under the provisions of the act of June 17, 1915 (P.L.1012, No.432). If such corporation cannot meet the capital and capitalization requirements of the act of April 8, 1937 (P.L.262, No.66), as such existed on June 1, 1975, it shall nonetheless be issued the license or licenses and shall have a period of two years from the effective date of this act to comply with the capital and capitalization requirements of the act of April 8, 1937 (P.L.262, No.66); and upon failure to meet such capital and capitalization requirements within such period of time, the license or licenses may be revoked by the Secretary of Banking pursuant to the provisions of section 12 of the act of April 8, 1937 (P.L.262, No.66).

(2) If an individual, foreign corporation, partnership or association, may form one or more domestic corporations for the purpose of engaging in business under the provisions of the act of April 8, 1937 (P.L.262, No.66), and upon transfer to it of the applicable share of the assets devoted to the conduct of the business under the provisions of the act of June 17,

1915 (P.L.1012, No.432), within six months after the effective date of this act, shall be entitled to a license under the provisions of act of April 8, 1937 (P.L.262, No.66), for each place of business he, they or it held a license issued by the act of June 17, 1915 (P.L.1012, No.432), upon application made within six months after the effective date of this act. Such corporations shall meet the capital and capitalization requirements of the act of June 8, 1937 (P.L.262, No.66). If, among the assets transferred to the new domestic corporation as provided by this subsection, are obligations made under the provisions of the act of June 17, 1915 (P.L.1012, No.432), the new domestic corporation shall have the right to collect and receive principal, interest and charges and otherwise enforce and collect such obligations as if such corporation had held a license under the provisions of the act of June 17, 1915 (P.L.1012, No.432) and had made the loans prior to the effective date of this act.

(b) The Secretary of Banking shall prescribe the form of application to be used by persons seeking a license or licenses under the provisions of this section.

Section 4. This act shall take effect immediately.

APPROVED—The 3rd day of March, A. D. 1976.

MILTON J. SHAPP