

No. 1992-82

AN ACT

HB 2166

Amending the act of December 12, 1980 (P.L.1179, No.219), entitled "An act to define and regulate secondary mortgage loans and providing penalties," further providing for scope of act and for licensees' records.

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

Section 1. Sections 10(c) and 20 of the act of December 12, 1980 (P.L.1179, No.219), known as the Secondary Mortgage Loan Act, amended July 7, 1989 (P.L.222, No.36), are amended to read:

Section 10. Licensee requirements: records; reports; examinations; receipts; information to be furnished borrower.

* * *

(c) The licensee's accounting records must be constructed and maintained in compliance with generally accepted accounting principles and all of the aforementioned instruments, documents, accounts, books and records shall be kept separate and apart from the records of any other business conducted by the licensee and shall be preserved and kept available for investigation or examination by the secretary for at least two years after a secondary mortgage loan has been paid in full, *but in the case of an open-end loan the two-year period is measured from the date of each entry*. The provisions of this section shall not apply to any instrument, document, account, book or record which is assigned, sold or transferred to another secondary mortgage loan licensee nor shall the two-year requirement apply to an instrument or document which must be returned to the borrower at the time a secondary mortgage loan is paid in full.

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Section 20. Scope of act.

(a) The provisions of this act shall apply to any secondary mortgage loan (except loans secured by real property made pursuant to a license issued under any other law of this Commonwealth) which:

- (1) is negotiated, offered, or otherwise transacted within this Commonwealth, in whole or in part, whether by the ultimate lender or any other person;
- (2) is made or executed within this Commonwealth; or
- (3) notwithstanding the place of execution, is secured by real property located in this Commonwealth.

(b) Notwithstanding subsection (a), the secretary may license a branch office in a state contiguous to Pennsylvania, provided that the licensee maintains a principal place of business in this Commonwealth which is licensed under the provisions of this act.

(c) Nothing contained in this act shall prohibit any licensee from closing any loans made under the provisions of this act in the offices of attorneys-at-law licensed by and located in this Commonwealth or of title insurance companies or agencies licensed by and located in this Commonwealth[, **if an employee of the licensee is present at the closing of any loan which is closed pursuant to the provisions of this subsection**].

Section 2. This act shall take effect immediately.

APPROVED—The 2nd day of July, A. D. 1992.

ROBERT P. CASEY