

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 60152. Open-end Loan Plan; Interest; Additional Charges; Security for Plan; Necessary Disclosures.

(1) Any licensee may make loans under an open-end loan plan and may receive interest, discount, consideration, finance charge and other charges as provided in section 60151.

(2) Interest on an open-end loan plan may be calculated by multiplying a periodic rate by the average daily balance of the account during the billing cycle. The average daily balance is the sum of the unpaid balances of the account each day of the billing cycle divided by the number of days in the billing cycle. The unpaid balance each day is determined by adding to any unpaid balance unpaid as of the beginning of that day all advances and other debits and deducting all payments and other credits to the account that day. A billing cycle may be considered to be monthly notwithstanding a variation of not more than four days from month-to-month.

(3) Any security interest in real or personal property shall be promptly released if:

(a) there has been no outstanding balance for 12 months and the borrower either does not have or surrenders the unilateral right to create a new outstanding balance; or

(b) if the account is terminated by the licensee or the borrower and paid in full.

(4) Sections 60104 and 60154 do not apply to any open-end loan plan.

(5) The open-end loan plan agreement shall contain the name and address of the borrower and of the licensee and shall disclose the date of the agreement, the method of determining the minimum periodic payments which will be required, and the nature of the security taken.

(6) Except for an account which the licensee deems to be uncollectible or which is affected by a case under the United States Bankruptcy Code or similar law or with respect to which delinquency collection procedures have been instituted or where furnishing the statement would violate Commonwealth or federal law, the licensee shall mail or cause to be delivered to the borrower, for each billing cycle at the end of which there is an unpaid balance of more than \$1 in the account or with respect to which interest, discount, consideration, finance charge or other charges are imposed, a statement setting forth the outstanding balance in the account at the beginning of the billing cycle, the date and amount of any subsequent advance during the cycle, the amounts of payments credited to the account during the billing cycle, the amount of any finance charge or other charges debited to the account during the billing cycle, the closing date of the billing cycle, the outstanding balance on that closing date and the minimum monthly payment required.

Source: PL 12-36, § 1(6973), modified.