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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2120 Session of  
2026

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INTRODUCED BY VENKAT, TWARDZIK, POWELL, WAXMAN, HILL-EVANS,  
SANCHEZ, MADDEN, CEPEDA-FREYTIZ, PROBST, WEBSTER AND TAKAC,  
JANUARY 7, 2026

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REFERRED TO COMMITTEE ON COMMERCE, JANUARY 7, 2026

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AN ACT

1 Amending the act of January 30, 1974 (P.L.13, No.6), entitled  
2 "An act regulating agreements for the loan or use of money;  
3 establishing a maximum lawful interest rate in the  
4 Commonwealth; providing for a legal rate of interest;  
5 detailing exceptions to the maximum lawful interest rate for  
6 residential mortgages and for any loans in the principal  
7 amount of more than fifty thousand dollars and Federally  
8 insured or guaranteed loans and unsecured, noncollateralized  
9 loans in excess of thirty-five thousand dollars and business  
10 loans in excess of ten thousand dollars; providing  
11 protections to debtors to whom loans are made including the  
12 provision for disclosure of facts relevant to the making of  
13 residential mortgages, providing for notice of intention to  
14 foreclose and establishment of a right to cure defaults on  
15 residential mortgage obligations, provision for the payment  
16 of attorney's fees with regard to residential mortgage  
17 obligations and providing for certain interest rates by banks  
18 and bank and trust companies; clarifying the substantive law  
19 on the filing of and execution on a confessed judgment;  
20 prohibiting waiver of provisions of this act, specifying  
21 powers and duties of the Secretary of Banking, and  
22 establishing remedies and providing penalties for violations  
23 of this act," in preliminary provisions, further providing  
24 for definitions.

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

27 Section 1. The definition of "residential mortgage" in  
28 section 101 of the act of January 30, 1974 (P.L.13, No.6),

1 referred to as the Loan Interest and Protection Law, is amended  
2 and the section is amended by adding a definition to read:

3 Section 101. Definitions.--As used in this act:

4 \* \* \*

5 "Residential mortgage" means an obligation to pay a sum of  
6 money in an original bona fide principal amount of the base  
7 figure or less, evidenced by a security document and secured by  
8 a lien upon real property located within this Commonwealth  
9 containing two or fewer residential units or on which two or  
10 fewer residential units are to be constructed and shall include  
11 such an obligation on a residential condominium unit. The term  
12 includes a shared appreciation agreement.

13 \* \* \*

14 "Shared appreciation agreement" means as follows:

15 (a) A writing evidencing a transaction or any option,  
16 future, or any other derivative between a person and an  
17 individual under which the individual receives money or another  
18 item of value in exchange for either of the following:

19 (1) An interest, contingent interest or future interest in a  
20 dwelling or residential real property located within this  
21 Commonwealth that is secured by a lien upon the dwelling or  
22 residential real property located within this Commonwealth.

23 (2) Another future obligation, secured by a lien upon a  
24 dwelling or residential real property located within this  
25 Commonwealth, to make a payment calculated in whole or in part  
26 by reference to the value, equity or proceeds of the dwelling or  
27 residential real property located within this Commonwealth upon  
28 the occurrence of any of the following events:

29 (i) The transfer of ownership.

30 (ii) A repayment maturity date.

1     (iii) The death of the individual.

2     (iv) Another event contemplated by the writing.

3     (b) The term shall not include a home secured loan  
4 guaranteed, insured or otherwise offered by a government agency  
5 or government-sponsored enterprise.

6     Section 2. This act shall take effect immediately.