



Pennsylvania Consumer Discount Company Act Licensees May Sell GAP Insurance

March 6th, 2019

The Pennsylvania Department of Banking and Securities (“Department”) issued an interpretive letter on January 31, 2019 confirming that a licensed lender under the Consumer Discount Company Act, 7 Pa. Stat. 6201 §§ *et seq.* (“CDCA”), may sell guaranteed asset protection (“GAP”) insurance in connection with a CDCA-covered loan, provided that the licensee charges the borrower no more than the actual cost to the licensee to obtain such coverage. The Department further advised that a CDCA licensee must maintain proper records for each account, including the actual receipt or other documentation showing that the fee the borrower was charged was in fact the actual cost of the premium paid by the licensee without a mark-up.

[Interpretive Letter](#)

[Consumer Discount Company Act](#)

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