

## Real Estate Finance: Pennsylvania

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A Q&A guide to commercial real estate finance law for borrowers and lenders in Pennsylvania. This Q&A addresses state laws relating to security instruments, usury, limitations on personal liability, recording requirements and taxes, priority issues, mechanics' liens, landlord liens, title insurance matters, and foreclosure procedures primarily impacting lending transactions in a commercial real estate context. Federal, local, or municipal law may impose additional or different requirements. Answers to questions can be compared across a number of jurisdictions (see Real Estate Finance: State Q&A Tool).

### Instrument and Execution

**1. When real estate is part of the lender's collateral, is a mortgage commonly used in your jurisdiction or is a trustee appointed to hold a deed of trust (or a deed to secure debt) as security for the loan? If a deed of trust is more commonly used, who is typically designated as the trustee?**

In Pennsylvania, a mortgage is used to create a lien against real property to secure financial obligations.

**2. Describe any laws that would limit a borrower's or guarantor's personal liability for debt secured by real property.**

The Deficiency Judgment Act limits the liability of borrowers and guarantors for the unpaid portion of a debt remaining after a foreclosing lender purchases the real property collateral at a judicial (sheriff's) sale (42 Pa. C.S.A. § 8103; Pa.R.Civ.P. 3276-3285; see Question 14). To obtain a deficiency judgment, the lender must file a petition to fix fair market value within six months after the execution and delivery of the sheriff's deed to the foreclosed property (42 Pa. C.S.A. § 5522(b)(2); Pa.R.Civ.P. 3282; *Bryn Mawr Tr. Co. v. Healy*, 667 A.2d 719, 722-23 (Pa. Super. 1995)).

The deficiency amount cannot exceed the difference between:

- The amount of the foreclosure judgment (plus interest, post-judgment late fees (if permitted), and costs).
- The greater of:
  - the sheriff's sale price; and
  - the property's fair market value.

(42 Pa. C.S.A. § 8103(c)(5).)

Depending on the county, some practitioners insist on filing the petition to fix fair market value within six months after the sheriff's sale (rather than delivery of the sheriff's deed) to expedite relief and avoid any dispute over the limitations period.

For more information, see [Practice Note, Commercial Foreclosures \(PA\): Pursuing a Deficiency Judgment \(Optional\)](#).

**3. Are there restrictions on interest rates charged for loans secured by real property?**

Pennsylvania does not have a general usury law for commercial loans.

The Associations Code prohibits a corporation from pleading usury as a defense in an action to enforce the payment of any obligation executed or effected by the corporation (15 Pa. C.S.A. §§ 1510(a) and 4146).

Pennsylvania has criminal statutes that impose penalties under certain circumstances for:

- Engaging in a pattern of racketeering activity, which can include imposing interest exceeding 25% per year (18 Pa. C.S.A. § 911(h)(1)(iv)). Courts have declined to apply this prohibition to business loans (*Gur v. Nadav*, 178 A.3d 851, 857-58 (Pa. Super. 2018)).
- Charging interest exceeding 36% per year (18 P.S. § 4806.1(h)).

For more information, see [Practice Note, Lender's Rights and Remedies \(Commercial Real Estate Loans\) \(PA\): Pennsylvania Usury Considerations](#).

#### 4. Are there any requirements for the execution of a mortgage or deed of trust? In particular, please consider if:

- Witnesses are required.
- Specified officers of a corporation (or members of a limited liability company) must execute the security instrument.
- The signatory's name and title must be specified on the signature page.
- A corporate seal is required.
- Signed resolutions must be presented with the security instrument for purposes of recording.
- There are any other important requirements in your state?

For information on whether Pennsylvania has adopted electronic signatures, electronic recording, or remote online notarization (RON), see Question 17.

### Witnesses

Although Pennsylvania does not require witnesses for a mortgage, it is common practice to have a witness for each signatory.

### Specified Officers

A business entity's governing instruments (such as its bylaws, operating agreement, or partnership agreement) and authorizing resolutions generally specify who can sign on its behalf. The president of a corporation and the manager of a limited liability company typically have apparent and actual authority

to execute documents for these entities. As a result, they are often the preferred signatories.

### Signatory's Name and Title

Although there is no specific requirement to state the signatory's name and title on the signature page, it is common practice to include this information to avoid personal liability for the signatory.

### Corporate Seal

A corporate seal is not required when executing a mortgage (15 Pa. C.S.A. § 1506(b)).

Independent of corporate formalities and regardless of the type of borrower, mortgages and other real estate documents in Pennsylvania traditionally indicate that they are executed under seal. This typically occurs by:

- Expressly stating within the text introducing the signature block that the instrument is made under seal.
- Placing the term "(SEAL)" directly next to the borrower's signature line. This step, though still common, is not strictly required if the parties have explicitly indicated their intention to make the instrument under seal through a statement elsewhere in the document.

(*Driscoll v. Arena*, 213 A.3d 253, 258-60 (Pa. Super. 2019); *In re Est. of Snyder*, 13 A.3d 509, 513-14 (Pa. Super. 2011); see [Standard Document, Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement, and Fixture Filing \(Pro-Lender\) \(Without Loan Agreement\) \(PA\): Drafting Note: Signed Under Seal](#).)

A sealed mortgage benefits the lender by allowing a longer limitations period for a foreclosure action (20 years versus four years for an unsealed instrument) (42 Pa. C.S.A. §§ 5525(a)(7) and 5529(b)(1); *Est of Snyder*, 13 A.3d at 513).

### Signed Resolutions

It is customary for a corporate borrower to issue a resolution authorizing execution of the mortgage and other loan documents when obtaining financing secured by real property. Depending on the county, local practice may require the resolution to be recorded with the mortgage.

## Other Requirements

To be in recordable form, a mortgage must:

- Be dated and acknowledged (21 P.S. § 621). The recorder will reject the mortgage if the acknowledgment predates the instrument's execution date. If the parties do not intend the mortgage to become effective on the date it is signed and acknowledged, the mortgage may state it is executed on a certain date but effective as of a later date to be acceptable for recording.
- Include a certificate of the mortgagee's residence (or business address if the lender is an entity):
  - containing the mortgagee's full municipal address; and
  - signed and dated by the mortgagee or its agent. (16 P.S. § 9782; 21 P.S. § 625.)

A mortgage must be recorded within six months after execution to fully perfect the lender's lien and preserve its priority against later mortgagees or purchasers without notice (21 P.S. § 621). However, an unacknowledged and unrecorded mortgage remains valid and binding between the parties (*MERSCORP, Inc. v. Del. Cnty.*, 207 A.3d 855, 867 (Pa. 2019); *Herb v. Citimortgage, Inc.*, 955 F. Supp. 2d 441, 446-47 (M.D. Pa. 2013)).

A recorded document provides constructive notice only if the recorder properly indexes it in either:

- The uniform parcel identifier (UPI) index if the county has adopted a UPI system (16 P.S. § 9854.2). The document must state the appropriate UPI.
- All alphabetical indices (16 P.S. § 9851).

(21 P.S. § 358; *Bindas v. Dep't of Transp.*, 302 A.3d 644, 652-54 (Pa. 2023).)

For more information on Pennsylvania recording requirements, see [Practice Note, Recording Procedures, Formalities, and Fees \(PA\)](#).

### 5. Provide the statutory form of acknowledgment for:

- An individual.
- A corporation.
- A limited liability company.
- A limited partnership.
- A trustee.

Pennsylvania statutory law provides model short form acknowledgment certificates (57 Pa. C.S.A. § 316). The examples below are:

- Based on the statutory short forms.
- Presumptively valid but not mandatory (57 Pa. C.S.A. § 315(c)). Any other form of certificate must comply with the Revised Uniform Law on Notarial Acts (RULONA) (57 Pa. C.S.A. §§ 301 to 331). For a version commonly used in Pennsylvania that meets the RULONA's requirements, see [Standard Document, Special or General Warranty Deed \(PA\)](#).

Pennsylvania has adopted remote online notarization (RON) (57 Pa. C.S.A. § 306.1; see Question 17). There may be specific requirements for acknowledgments certified using RON. For more information, see [Electronic Signatures, Recording, and Notarization Laws for Real Estate Transactions: State Comparison Chart: Pennsylvania](#).

## Individual

[Commonwealth of Pennsylvania/State of [STATE]]

County of [COUNTY]

This record was acknowledged before me on [DATE] by [NAME].

[NOTARIAL OFFICER SIGNATURE]

[NOTARIAL STAMP]

[Notary Public/[OTHER TITLE]]

My commission expires: [DATE]

## Representative Capacity (Corporation, Limited Liability Company, Limited Partnership, or Trust)

[Commonwealth of Pennsylvania/State of [STATE]]

County of [COUNTY]

This record was acknowledged before me on [DATE] by [SIGNATORY NAME] as [SIGNATORY TITLE OR AUTHORITY] who represents that [he/she/they] [is/are] authorized to act on behalf of [ENTITY NAME].

[NOTARIAL OFFICER SIGNATURE]

[NOTARIAL STAMP]

[Notary Public/[OTHER TITLE]]

My commission expires: [DATE]

### Priority

#### 6. Describe the relevant statutes granting priority to mechanics' liens.

Under the Mechanics' Lien Law of 1963, contractors, subcontractors, suppliers, and other construction professionals (each a claimant) may assert a mechanics' lien to secure payment for the labor, services, materials, or equipment they provide to improve privately owned real property in Pennsylvania (49 P.S. §§ 1101 to 1902).

For more information on Pennsylvania mechanics' liens procedures and a list of relevant resources, see [Practice Note, Mechanics' Liens in Practice \(PA\)](#) and [Mechanics' Liens Toolkit \(PA\)](#).

#### Perfection

To perfect a mechanics' lien, a claimant must file a lien claim:

- Containing the information required by statute (49 P.S. § 1503).
- With the prothonotary for the county where the property is located.
- Within six months after the date the claimant completes its work.  
(49 P.S. §§ 1201(8) and 1502(a)(1), (b).)

The claimant must also:

- Serve a notice on the property owner within one month after filing the lien claim.
- File either an affidavit of service or acceptance of service within 20 days after serving the notice.

(49 P.S. § 1502(a)(2), (c).)

A subcontractor must provide the owner with a notice of intention to file a lien claim with the requisite statutory information at least 30 days before filing its claim (49 P.S. § 1501).

Each claimant must enforce its lien by filing a complaint:

- In the court of common pleas for the county in which the lien claim is filed.
- Under the same docket number as the claim.
- Within two years after filing the claim.

(49 P.S. § 1701(b), (c); Pa.R.Civ.P. 1652 and 1653.)

The owner may file:

- A notice of commencement with the [State Construction Notices Directory](#) before beginning a high value project (costing at least \$1.5 million). To preserve its lien rights, any subcontractor on the project must then file a notice of furnishing following the statutory form within 45 days after starting its work. (49 P.S. § 1501.3.)
- A *praecipe* (request) with the prothonotary to accelerate the deadline for:
  - a subcontractor's lien claim (49 P.S. § 1506); or
  - any claimant's complaint (Pa.R.Civ.P. 1659).

### Priority

A mechanics' lien attaches to a property and generally has priority over other liens from the date that:

- Construction visibly commences on the project site if the claimant's work involves new construction (including a substantial addition to or material adaptation of an existing improvement) (49 P.S. § 1201(10)). Courts have traditionally deemed the excavation of the foundation as the point when construction of a new improvement begins (*B.N. Excavating, Inc. v. PBC Hollow-A, L.P.*, 71 A.3d 274, 284 (Pa. Super. 2013)).
- The claimant files its lien claim if the work involves only alterations or repairs.

(49 P.S. § 1508(a), (b).)

These priority rules do not apply against:

- Purchase money mortgages (42 Pa. C.S.A. § 8141(1); see Question 8: Permanent Loans).
- Open-end mortgages where at least 60% of the proceeds are intended or used to pay for at least part of the construction costs (42 Pa. C.S.A. § 8143(f); see Question 8: Construction Loans and Credit Facilities).

(49 P.S. § 1508(c).)

Mechanics' liens arising from new construction (but not alterations or repairs to an existing improvement) also survive a sale of the property to a bona fide purchaser (49 P.S. § 1303(c)).

#### 7. Are there liens which can supersede the priority of a lender's recorded lien?

In Pennsylvania, the following types of liens and charges may supersede the priority of a lender's previously recorded lien:

- Mechanics' liens for new construction (subject to the exceptions for purchase money and open-end mortgages) (49 P.S. § 1508(a); see Question 6: Priority).
- Certain state:
  - tax liens (such as those for corporate net income tax and inheritance tax) (72 P.S. §§ 1401, 7401 to 7412, and 9101 to 9196); and
  - environmental liens (32 P.S. § 5116(a)(1)).
- Municipal claims (53 P.S. § 7106(a)).
- Real property taxes (53 P.S. § 7102).
- Condominium and other common interest community assessments to the extent they are due and unpaid in the six months immediately preceding a sheriff's sale (68 Pa. C.S.A. §§ 3315(b)(2), 4315(b)(2), and 5315(b)(2)).

When applicable, a seller's state taxes may also become a lien against the property in a purchasing borrower's hands under Pennsylvania's bulk sale statutes, specifically:

- Sales and use taxes (72 P.S. § 7240).
- Unemployment tax (43 P.S. § 788.3).
- Personal income tax (72 P.S. § 7321.1).

(72 P.S. § 1403.)

For more information, see [Practice Note, Establishing and Maintaining Lien Priority \(Commercial Real Estate Loans\) \(PA\)](#).

### **8. How do lenders maintain the priority of their real property liens over superseding liens, such as real property tax liens and mechanics' liens? In particular, please consider:**

- Permanent loans.
- Construction loans with future advances.
- Credit facilities with future advances under revolving lines of credit.

## Permanent Loans

In Pennsylvania, the priority of super liens is generally established by operation of law regardless of a lender's mitigation efforts (such as requiring tax escrows and the like) (42 Pa. C.S.A. § 8141; see Question 7).

A lender may take affirmative steps to guard against intervening liens in connection with:

- A purchase money mortgage through timely recording. A purchase money mortgage takes priority from the date it is delivered to the lender if it is recorded within ten days after the date of the instrument (42 Pa. C.S.A. § 8141(1)).
- Protective advances by ensuring the mortgage expressly states it secures such advances. A protective advance made under a mortgage meeting this condition has priority from the mortgage's:
  - recording date; or
  - delivery date if it is a purchase money mortgage meeting the ten-day recording requirement.(42 Pa. C.S.A. § 8144.)

## Construction Loans and Credit Facilities

The Open-End Mortgage Act provides the circumstances through which a mortgage may secure and retain the priority of future advances. Lenders offering construction loans or revolving lines of credit may rely on the Act's protections.

Under the Act, a mortgage must:

- Contain "open-end mortgage" in its title.
- Clearly state that it secures future advances.
- Identify the maximum amount of secured indebtedness (plus accrued and unpaid interest).

(42 Pa. C.S.A. § 8143(f).)

Obligatory future advances under a qualifying open-end mortgage relate back to the instrument's recording date. A junior lienholder may obtain priority over discretionary advances (except those necessary to complete a project) after sending a notice to the lender. (42 Pa. C.S.A. § 8143(a), (b), (d).)



The borrower can limit the amount of indebtedness secured by an open-end mortgage (subject to exceptions for accruing interest and advances to complete a project) by recording a notice to that effect after first sending a copy of it to the lender (42 Pa. C.S.A. § 8143(c), (d)).

For additional details, see [Practice Note, Establishing and Maintaining Lien Priority \(Commercial Real Estate Loans\) \(PA\): Open-End Mortgages](#).

### 9. What are a landlord's legal rights to a tenant's personal property located in the leased premises? Are these rights governed by statute, common law, or contract?

Pennsylvania does not provide landlords with an express statutory lien right against their tenants' personal property. The Landlord and Tenant Act of 1951 (LTA) contains a default procedure for the disposition of a tenant's abandoned property (68 P.S. § 250.505a). A landlord seeking an actionable right to acquire its tenant's personal property after a breach may insist on the specific grant of a security interest in the lease subject to perfection and enforcement under Article 9 of the UCC (13 Pa. C.S.A. §§ 9101 to 9809).

Although never directly repealed, the LTA's distraint and distress procedures (authorizing the seizure of a tenant's nonexempt personal property to satisfy unpaid rent) have been held facially unconstitutional (*Allegheny Clarklift, Inc. v. Woodline Indus. of Pa., Inc.*, 514 A.2d 606, 609 (Pa. Super. 1986)). Pennsylvania courts have also generally determined that landlords:

- Cannot resort to self-help.
- Must exercise their rights to a tenant's personal property through judicial process (such as execution on a judgment for unpaid rent).

(*Lenair v. Campbell*, 31 Pa. D. & C.3d 237, 240-43 (Pa. Com. Pl. 1984); *Wofford v. Vavreck*, 22 Pa. D. & C.3d 444, 451-53 (Pa. Com. Pl. 1981).)

Using self-help (including seizing and selling the tenant's property, changing the locks, or turning off utilities) may subject the landlord to damages for constructive eviction, conversion, and other claims. For more information, see [Practice Note, Landlord's Rights and Remedies \(Commercial Lease\) \(PA\)](#).

## Mortgage Recording Taxes

### 10. Is there a mortgage recording tax (or similar tax)? If so:

- What is the rate and how is the tax calculated?
- Can a loan or refinance be structured to reduce the tax?
- Is the tax payable on making a loan secured by real property or perfecting a lien on real property?
- Is there any type of real property or transaction that is exempt from a mortgage recording tax (or similar tax)?
- Are there any other state or local taxes or fees imposed on the grant, perfection, or enforcement of a security interest in real property? Are there any exceptions?

There is no mortgage recording tax in Pennsylvania.

Recording fees vary by county but are normally insignificant in the context of the overall loan transaction. Most counties publish a fee schedule, for example:

- [Allegheny County](#).
- [Lancaster County](#).
- [Philadelphia County](#).
- [Westmoreland County](#).

## Title Insurance

### 11. Are title insurance premiums or service charges for lenders' title insurance policies regulated? Are the costs of title insurance negotiable within a specified range of rates? Are there any discounts available for reissued policies?

The [Pennsylvania Insurance Department](#) regulates title insurance premiums in Pennsylvania. The [Title Insurance Rating Bureau of Pennsylvania](#) (TIRBOP) establishes and files the rates and forms for title companies operating in the state. (40 P.S. § 910-37.) Various discounts may be available for reissued policies. If a title company issues both an owner's

and lender's policy for the same transaction, it may agree to charge only one premium (usually the owner's). The [TIRBOP Rate Manual](#) provides more information.

### 12. Provide a list and brief description of the title insurance endorsements available to lenders.

The [Title Insurance Rating Bureau of Pennsylvania](#) (TIRBOP) issues standard endorsements that are similar (but not identical) to those provided by the American Land Title Association (ALTA). The TIRBOP does not provide equivalents of several ALTA endorsements, though, including forms for:

- Zoning and subdivision.
- Usury.
- Creditors rights.

The following is a nonexclusive list of TIRBOP endorsements commonly used by lenders in Pennsylvania commercial real estate transactions. Not all endorsements are applicable to each transaction. For a full list of available endorsements and to confirm how the TIRBOP's forms differ from their ALTA counterparts, see the [TIRBOP Rate Manual](#) or consult with an approved title company.

- PA 100 (Covenants, Conditions, and Restrictions).
- PA 300 (Survey Exception).
- PA 500 (ALTA 11, as modified by TIRBOP) (Mortgage Modification).
- PA 710-6.2 (ALTA 6.2) (Variable Rate Mortgage – Negative Amortization).
- PA 910 (ALTA 8.2-06) (Commercial Environmental Protection Lien).
- PA 1030 (ALTA 9-06) (Restrictions, Encroachments, Minerals).
- PA 1033 (ALTA 9.6-06) (Private Rights).
- PA 1100 (Waiver of Arbitration).
- PA 1140 (ALTA 13.1-06) (Leasehold Loan).
- PA 1200/1210 (ALTA 17-06/17.1-06) (Access and Entry/Indirect Access and Entry).
- PA 1230/1240/1241 (ALTA 18-06/18.1-06/18.2-06) (Single Tax Parcel/Multiple Tax Parcels – Easements/Multiple Tax Parcels).

- PA 1250/1251/1252 (ALTA 19-06/19.1-06/19.2-06) (Contiguity – Multiple Parcels/Single Parcel/Specified Parcels).
- PA 1260 (ALTA 12, as modified by TIRBOP) (Aggregation – Intrastate Only).
- PA 1270 (ALTA 25-06) (Same as Survey).
- PA 1280 (ALTA 22-06, as modified by TIRBOP) (Location).
- PA 1310 (ALTA 28-06) (Easement – Damage or Enforced Removal).
- PA 1312 (ALTA 28.1) (Encroachments – Boundaries and Easements).
- PA 1551 (ALTA 17.2-06) (Utility Access).

For a detailed discussion of Pennsylvania loan policy endorsements, see [Practice Note, Title Insurance for Lenders \(Commercial Real Estate\) \(PA\): Endorsements for Loan Policies](#).

### 13. How is gap coverage (the time between closing the loan and actually recording the lien) typically handled by the title insurance companies?

Title companies in Pennsylvania:

- Provide gap coverage as a covered risk under the loan policy unless specifically excepted.
- May require the seller or borrower to provide an affidavit or indemnity for this purpose.

Ask the title company to issue a pro forma policy (or to mark up the commitment by hand) to insure the instrument through the date of recording.

## Foreclosure

### 14. Describe the foreclosure process available and the typical timing for the process. Do borrowers have a right of redemption? If so, what is the redemption period? Can lenders limit a borrower's right of redemption?

The Rules of Civil Procedure govern mortgage foreclosures in Pennsylvania (Pa.R.Civ.P. 1141-1150 and 3180-3183). Any right to a private or power of sale

foreclosure is generally unenforceable. The lender must instead:

- Initiate a foreclosure action by filing a complaint in the court of common pleas for the county where the real property is located (Pa.R.Civ.P. 1142).
- Name the borrower and (if different) the real owner of the property as defendants (Pa.R.Civ.P. 1144(a)).

There is no statutory obligation to send a pre-foreclosure notice when proceeding against commercial property. The lender may foreclose on both real and personal property in the same action (13 Pa. C.S.A. § 9604(a)(2); Pa.R.Civ.P. 1147(b) and 3180(b)).

The lender usually obtains judgment by filing:

- A *praecipe* for entry of default judgment after the borrower fails to respond to:
  - the complaint; and
  - a mandatory ten-day notice preceding the *praecipe*. (Pa.R.Civ.P. 237.1(a) and 237.5.)
- A motion for summary judgment if the borrower answers the complaint but does not effectively contest any material facts (Pa.R.Civ.P. 1035.2).

The lender enforces the judgment through a sheriff's sale of the property. To arrange for a sale, counsel must:

- File a *praecipe* for writ of execution (Pa.R.Civ.P. 3103(a), (e), 3180, and 3256).
- Submit a writ package to the county sheriff containing (among other components):
  - the writ of execution (Pa.R.Civ.P. 3257);
  - a notice of sale (Pa.R.Civ.P. 3129.2(b), (c));
  - an affidavit identifying all parties entitled to the notice of sale (Pa.R.Civ.P. 3129.1); and
  - the sale deposit and any other required costs.
- Serve (and ensure the sheriff duly posts and publishes) the notice of sale at least 30 days before the sale (Pa.R.Civ.P. 3129.2).

The borrower or another interested party may move or petition to stay a sheriff's sale on any legal or equitable ground. A stay is mandatory if the borrower files for bankruptcy. (Pa.R.Civ.P. 3183.)

It may take at least a year to reach the sheriff's sale in a contested case. If the sale proceeds do not satisfy the judgment amount, the lender may pursue

a deficiency judgment by timely filing a petition to fix fair market value (see Question 2).

There is no post-sale right of redemption in Pennsylvania. However, a defaulting borrower has a common law right to redeem the property by paying the outstanding debt until the hammer falls at the sheriff's sale. (*In re Evergreen Mem'l Park Ass'n*, 308 F.2d 65, 67 (3d Cir. 1962); *Pa. Co. v. Broad St. Hosp.*, 47 A.2d 281, 282–83 (Pa. 1946).)

For more information on foreclosure procedures in Pennsylvania, see [Practice Note, Commercial Foreclosures \(PA\)](#) and [Commercial Foreclosure Toolkit \(PA\)](#).

### 15. Describe any significant costs of or impediments to foreclosing a lien on real property.

There are standard court costs, sheriff's fees, and title search expenses in connection with any foreclosure action and sheriff's sale in Pennsylvania (see Question 14).

Realty transfer tax (consisting of a 1% state portion and, depending on the jurisdiction, a local portion of up to 4%) is assessed against the sheriff's deed transferring title to the purchaser of the foreclosed property unless:

- The lender is the purchaser and does not assign its bid.
- Another statutory exception applies.

(72 P.S. § 8102-C.3(16); see [Practice Note, Transfer Taxes: Overview \(PA\)](#).)

There are otherwise no significant costs of or impediments to foreclosing a lien on commercial real property.

### Foreign Entities

#### 16. Are there any permissions, approvals, or licenses specifically required for foreign banks (or other foreign lenders) to make loans secured by real property?

There are no permissions, approvals, or licenses specifically required for foreign banks or other foreign lenders to make loans secured by real property in Pennsylvania.



A foreign association is not doing business in Pennsylvania (and does not have to register with the [Department of State](#)) when:

- Creating or acquiring indebtedness, mortgages, or other security interests in property.
- Enforcing mortgages or other security interests in property and holding, protecting, or maintaining the collateral.
- Acquiring, owning, holding, leasing, and transferring property and any related mortgages or other security interests without more.

(15 Pa. C.S.A. § 403(a).)

Federal financial institutions are additionally exempt from the foreign registration requirements (15 Pa. C.S.A. § 401(c)).

## Electronic Signatures, Recording, and Notarization Laws

### 17. Has your state adopted laws permitting electronic signatures, electronic recording, and remote notarization? In particular, include information on whether:

- The Uniform Electronic Transactions Act (UETA) or another law giving electronic signatures legal effect has been adopted.
- The Uniform Real Property Electronic Recording Act (URPERA) or another law permitting the recording of electronic signatures has been adopted.
- The Revised Uniform Law on Notarial Acts (RULONA) or another law permitting remote online notarization (RON) has been permanently adopted and/or temporary remote online notarization is permitted on an emergency basis due to the coronavirus pandemic.

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Despite Pennsylvania's adoption of the applicable electronic laws referred to below, the transaction parties or recording offices may not be required to accept documents executed or notarized electronically. Before relying on any of the below electronic laws for a particular transaction, counsel should confirm (as applicable) that:

- All parties to the transaction agree to accept electronic signatures, remotely notarized documents, or both, and intend to be bound by them.
- The applicable recording office accepts electronic signatures and remotely notarized documents for recording.

### Electronic Signatures

Pennsylvania has adopted the UETA (73 P.S. §§ 2260.301 to 2260.312).

### Electronic Recording

Pennsylvania has adopted the URPERA (21 P.S. §§ 483.1 to 483.9).

### Remote Online Notarization

Pennsylvania has adopted RON (57 Pa. C.S.A. § 306.1).

There may be specific requirements for performing RON. Reference should be made to the statute, any applicable emergency orders, and any rules promulgated by the secretary of state or other state authority to understand all RON requirements and conditions.

For a state-by-state chart covering key provisions of RON laws, emergency orders, and pending electronic recording and RON laws, see [Electronic Signatures, Recording, and Notarization Laws for Real Estate Transactions: State Comparison Chart](#). To view and customize comparison charts on electronic signatures, recording, and notarization laws across states, see [Quick Compare Chart, State Laws on Electronic Signatures, Electronic Recording, and Remote Notarization](#).