



National
Consumer Law
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Rep. Scott Conklin and Rep. John A. Lawrence
Chairmen, House Commerce Committee
Pennsylvania House of Representatives

via email

Re: Support for HB 2120 Regarding Shared Equity Agreements

To Whom It May Concern:

The National Consumer Law Center¹ strongly urges you to **support HB 2120**. This critical legislation protects Pennsylvania homeowners from the dangers they face when signing shared equity agreements (SEA), a predatory form of mortgage loan.²

While marketed as easy cash, SEA mortgages function like the dangerous subprime mortgages that decimated homeownership two decades ago. These products target “house-rich, cash-poor” older adults and homeowners with low credit scores. Many older homeowners depend on the savings built-up in their home to pay for retirement—maybe for assisted living or help to age in place. Other families plan to use their equity to buy a better home or to pass along intergenerational wealth. But SEA loans can make that unaffordable. SEA loans are an affront to all the reasons homeownership is considered a good investment. And—most importantly—they put the family’s shelter at risk.

¹ Since 1969, the nonprofit [National Consumer Law Center](http://www.nclc.org)[®] (NCLC[®]) has worked for consumer justice and economic security for low-income and other disadvantaged people in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training.
www.nclc.org

² SEAs go by many different names. Some states call them “shared appreciation agreements.” The industry calls them “home equity investments.” While sometimes called “shared appreciation mortgages,” they are different from the affordable housing product of the same name offered by nonprofits and government agencies. They are also different from traditional “home equity loans.” For more information, see NCLC’s webpage on this product: <https://www.nclc.org/topic/home-equity-investment-loans/>

SEA loans often result in:

- **Blank-Check Payoffs:** Homeowners get money upfront but must make a massive single balloon payment based on future home value—typically costing tens or hundreds of thousands of dollars.
- **Equity Theft:** Many families are forced to sell their homes just to pay off the lender, stripping away intergenerational wealth and retirement savings.
- **Asset-Based Predatory Lending:** Targeting those who cannot qualify for safer, traditional loans.

HB 2120 provides common-sense guardrails: It mandates independent housing counseling, a usury cap, disclosure of the maximum possible payment that could be required, and prohibits abusive terms and conditions we have found in SEA contracts. It also requires licensing and empowers the Department of Banking and Securities to regulate SEA providers.

Pennsylvania should join other states in stopping these abusive loans before they steal more homeowners' equity and shelter. The Governor of Maine just signed the country's strongest law protecting homeowners from abusive SEAs.³ Connecticut, Illinois, and Maryland have also passed laws regulating SEAs as mortgage loans and have either adopted or have pending provisions for additional protections.⁴

Please act now to support HB 2120 before more homeowners can be saddled with loans that steal their equity and threaten their homeownership.

Respectfully submitted,

/s/ Andrew Pizor

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³ An Act to Regulate Shared Appreciation Agreements Relating to Residential Property, Maine L.D. 1901 (signed Apr. 13, 2026).

⁴ Conn. Gen. Stat. Ann. § 36a-485(27), (30); 205 Ill. Compiled Stat. 635/1-4(f), (ccc); Md. Code Ann., Fin. Inst. §11-501(m)(2), (r). See also Colorado Div. of Real Estate, Position Statement—MLO 2.0—License Requirements for Originating Home Equity Contracts (Adopted January 21, 2026).