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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 118 Session of 2013

INTRODUCED BY DAVIS, ROZZI, D. COSTA, WHEATLEY, O'BRIEN, TRUITT, SCHLOSSBERG, YOUNGBLOOD, QUINN, COHEN, MATZIE, HARKINS, KORTZ, THOMAS, WATSON, DEASY, PARKER AND MCCARTER, MARCH 11, 2013

REFERRED TO COMMITEE ON COMMERCE, MARCH 11, 2013

A RESOLUTION

Directing the Legislative Budget and Finance Committee to examine the causal factors of home foreclosure in this Commonwealth and make recommendations on best practices for mitigating foreclosure.

WHEREAS, Section 412-C of the Housing Finance Agency Law stipulates that the Pennsylvania Housing Finance Agency (PHFA) monitor foreclosure activity and trends in this Commonwealth by using data and information accumulated from notices and applications for emergency mortgage assistance; and

WHEREAS, In 2005, at the behest of PHFA and the Department of Banking, The Reinvestment Fund (TRF) completed a study of mortgage foreclosures in Pennsylvania; and

WHEREAS, The study conducted by TRF revealed that a disproportionate number of foreclosed properties manifest a pattern of predatory lending; and

WHEREAS, The study conducted by TRF concluded that although Pennsylvania's foreclosure rates had decreased by the fourth quarter of 2006, Pennsylvania's high percentage of seriously

delinquent prime loans during the fourth quarter of 2006 was indicative that many foreclosures lie ahead in the immediate future; and

WHEREAS, While the General Assembly has enacted laws, such as the Loan Interest and Protection Law (Usury Law) and Act 91 of 1983, in an effort to mitigate foreclosures, only a minority of homeowners are able to reap the benefits as set forth in those laws, resulting in the exclusion of the most vulnerable homeowners; therefore be it

RESOLVED, That the House of Representatives direct the Legislative Budget and Finance Committee to conduct a study of foreclosures in this Commonwealth; and be it further

RESOLVED, That the Legislative Budget and Finance Committee seek input from those groups most likely to make insightful contributions, such as representatives of banks, realty companies, county sheriffs, foreclosure mitigation programs, social services agencies, offices of unemployment compensation and academia; and be it further

RESOLVED, That the Legislative Budget and Finance Committee include the following in its study:

(1) Whether there has been an increase in home foreclosures since the 2006 study completed by The Reinvestment Fund.

(2) The varying rates of foreclosure by county.

(3) Whether a specific demographic is impacted more severely by foreclosure.

(4) The correlation between rising unemployment rates and foreclosure.

(5) The extent to which current Pennsylvania law effectively mitigates foreclosure.

(6) Recommendations as to legislation that will refine the criteria by which mortgagors are considered and approved for prime and subprime loans;

and be it further

RESOLVED, That the Legislative Budget and Finance Committee hold public hearings as necessary to receive testimony about any of the subjects enumerated in this resolution; and be it further

RESOLVED, That the Legislative Budget and Finance Committee report its findings and recommendations to the House of Representatives no later than November 30, 2013.