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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 956 Session of 2009

INTRODUCED BY GIBBONS, BELFANTI, BISHOP, BRENNAN, CARROLL, FABRIZIO, FREEMAN, GEORGE, GOODMAN, JOSEPHS, KORTZ, LEVDANSKY, LONGIETTI, McGEEHAN, McILVAINE SMITH, MELIO, MURPHY, M. O'BRIEN, PAYTON, ROSS, SIPTROTH AND WHITE, MARCH 17, 2009

REFERRED TO COMMITTEE ON COMMERCE, MARCH 17, 2009

AN ACT

Amending the act of December 3, 1959 (P.L.1688, No.621), entitled, as amended, "An act to promote the health, safety and welfare of the people of the Commonwealth by broadening the market for housing for persons and families of low and moderate income and alleviating shortages thereof, and by assisting in the provision of housing for elderly persons through the creation of the Pennsylvania Housing Finance Agency as a public corporation and government instrumentality; providing for the organization, membership and administration of the agency, prescribing its general powers and duties and the manner in which its funds are kept and audited, empowering the agency to make housing loans to qualified mortgagors upon the security of insured and uninsured mortgages, defining qualified mortgagors and providing for priorities among tenants in certain instances, prescribing interest rates and other terms of housing loans, permitting the agency to acquire real or personal property, permitting the agency to make agreements with financial institutions and Federal agencies, providing for the purchase by persons of low and moderate income of housing units, and approving the sale of housing units, permitting the agency to sell housing loans, providing for the promulgation of regulations and forms by the agency, prescribing penalties for furnishing false information, empowering the agency to borrow money upon its own credit by the issuance and sale of bonds and notes and by giving security therefor, permitting the refunding, redemption and purchase of such obligations by the agency, prescribing remedies of holders of such bonds and notes, exempting bonds and notes of the agency, the income therefrom, and the income and revenues of the agency from taxation, except transfer, death and gift taxes; making such

bonds and notes legal investments for certain purposes; and indicating how the act shall become effective," further providing for the Homeowner's Emergency Mortgage Assistance Fund.

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

Section 1. Section 408-C of the act of December 3, 1959 (P.L.1688, No.621), known as the Housing Finance Agency Law, amended December 21, 1998 (P.L.1248, No.160), is amended to read:

Section 408-C. Homeowner's Emergency Mortgage Assistance Fund.--The Homeowner's Emergency Mortgage Assistance Fund is hereby created as a separate account within the agency for the sole purpose of implementing the provisions of this article. [No other agency funds, moneys or interest earnings shall be utilized for the purposes of this article.] Investment and interest earnings on moneys from this fund may be used by the agency for the administrative costs of the program. <u>The board may annually authorize a transfer from the unrestricted net assets of the agency's funds to the Homeowner's Emergency Mortgage Assistance Fund. The amount of funds transferred shall not exceed one (1) percent of the total unrestricted net assets of the agency as certified in the annual financial statement under section 207 and provided that such assets are not required to meet the agency's debt obligations and that such transfers are not in violation of the terms of bond resolutions and indentures.</u> The Homeowner's Emergency Mortgage Assistance Fund shall operate as a revolving loan fund to which shall be credited all repayment of principal and interest by mortgagors to the agency to repay loans provided by the agency pursuant to this article as well as grants or donations from other sources and any funds that may be appropriated by the General Assembly.

1 Section 2. This act shall take effect in 60 days.