## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 2301 Session of 2012

INTRODUCED BY DALEY, HESS, BOYD, V. BROWN, CALTAGIRONE, CLYMER, COHEN, D. COSTA, DAVIS, DAVIDSON, DeLUCA, FRANKEL, GEIST, GIBBONS, HORNAMAN, JOSEPHS, KOTIK, KULA, MAHONEY, MANN, MCGEEHAN, PRESTON, REED, WATERS, WATSON AND WHEATLEY, APRIL 4, 2012

REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 4, 2012

## AN ACT

- 1 Providing for the Homeowner Assistance Settlement Act;
- establishing a fund for the purpose of funding the
- 3 Homeowner's Emergency Mortgage Assistance Program; and
- 4 providing for an appropriation.
- 5 The General Assembly of the Commonwealth of Pennsylvania
- 6 hereby enacts as follows:
- 7 Section 1. Short title.
- 8 This act shall be known and may be cited as the Homeowner
- 9 Assistance Settlement Act.
- 10 Section 2. Definitions.
- 11 The following words and phrases when used in this act shall
- 12 have the meanings given to them in this section unless the
- 13 context clearly indicates otherwise:
- 14 "Fund." The Homeowner Assistance Settlement Fund established
- 15 in section 3(a).
- 16 "Homeowner Assistance Settlement Agreement." The settlement
- 17 agreement and related documents entered into on February 9,

- 1 2012, by the Attorney General of the Commonwealth and the
- 2 leading United States mortgage servicing companies.
- 3 Section 3. Establishment of special fund, distribution of
- 4 moneys and limitation on annual appropriation.
- 5 (a) Homeowner Assistance Settlement Fund. -- There is
- 6 established a special fund known as the Homeowner Assistance
- 7 Settlement Fund. All payments received by the Commonwealth
- 8 pursuant to the Homeowner Assistance Settlement Agreement shall
- 9 be deposited by the Treasury Department into the fund.
- 10 (b) Distribution of funds. -- Subject to annual appropriation
- 11 by the General Assembly, the moneys in the fund shall be
- 12 distributed proportionally, subject to the following
- 13 limitations:
- 14 (1) Ninety percent of the funds distributed shall be
- appropriated to the Pennsylvania Housing Finance Agency for
- the purpose of funding the Homeowner's Emergency Mortgage
- 17 Assistance Program.
- 18 (2) Ten percent of the funds distributed shall be
- appropriated to the Office of Attorney General for the
- 20 purpose of funding housing consumer protection programs.
- 21 (c) Limitation on annual appropriation. -- The annual
- 22 appropriation of funds under subsection (b) shall not exceed
- 23 \$18,000,000 in the first year and \$12,000,000 in each subsequent
- 24 year.
- 25 Section 4. Investment of fund and accounts.
- 26 (a) Control and management. -- Notwithstanding any other
- 27 provision of law, the State Treasurer shall have exclusive
- 28 control and authority to manage, invest and reinvest money in
- 29 the fund, subject, however, to the exercise of that degree of
- 30 judgment, skill and care under the circumstances then prevailing

- 1 that persons of prudence, discretion and intelligence, who are
- 2 familiar with investment matters, exercise in the management of
- 3 their own affairs, not in regard to speculation but in regard to
- 4 permanent disposition of the funds, considering the probable
- 5 income to be derived from the investments and the probable
- 6 safety of their capital. The State Treasurer may hold, purchase,
- 7 sell, lend, assign, transfer or dispose of any securities and
- 8 investments, including equity securities, in which money in the
- 9 fund or the accounts has been invested and of the proceeds of
- 10 the investments, including any directed commissions that have
- 11 accrued to the benefit of the fund or the accounts as a
- 12 consequence of the investments, and of money belonging to the
- 13 fund or the accounts subject to the standard of prudence in this
- 14 section.
- 15 (b) Fiduciary status of the State Treasurer.--The State
- 16 Treasurer shall stand in a fiduciary relationship to the
- 17 Commonwealth and its citizens regarding the investments of the
- 18 money of the fund and the accounts and shall not profit, either
- 19 directly or indirectly, with respect thereto.
- 20 (c) Custodian. -- The State Treasurer shall be the custodian
- 21 of the fund and the accounts. All investment draws from the fund
- 22 or the accounts shall be made by the State Treasurer in
- 23 accordance with requisitions signed by the secretary of the
- 24 board and ratified by resolution of the board.
- 25 Section 5. Effective date.
- This act shall take effect immediately.