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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 238 Session of  
2011

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INTRODUCED BY DAVIS, MCGEEHAN, BISHOP, BRENNAN, V. BROWN, BURNS,  
CALTAGIRONE, D. COSTA, DAVIDSON, FABRIZIO, FREEMAN, GERGELY,  
JOSEPHS, KORTZ, KULA, MURT, M. O'BRIEN, PASHINSKI, PAYTON,  
READSHAW, SAMUELSON, SCAVELLO, STABACK, THOMAS, WAGNER,  
WATSON AND WHEATLEY, APRIL 25, 2011

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REFERRED TO COMMITTEE ON COMMERCE, APRIL 25, 2011

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A RESOLUTION

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

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

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

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

16 WHEREAS, The study conducted by TRF concluded that although  
17 Pennsylvania's foreclosure rates had decreased by the fourth

1 quarter of 2006, Pennsylvania's high percentage of seriously  
2 delinquent prime loans during the fourth quarter of 2006 was  
3 indicative that many foreclosures lie ahead in the immediate  
4 future; and

5 WHEREAS, While the General Assembly has enacted laws, such as  
6 the Loan Interest and Protection Law (Usury Law) and Act 91 of  
7 1983, in an effort to mitigate foreclosures, only a minority of  
8 homeowners are able to reap the benefits as set forth in those  
9 laws, resulting in the exclusion of the most vulnerable  
10 homeowners; therefore be it

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

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

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

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

25 (2) The varying rates of foreclosure by county.

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

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

30 (5) The extent to which current Pennsylvania law

1 effectively mitigates foreclosure.

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

5 and be it further

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

9 RESOLVED, That the Legislative Budget and Finance Committee  
10 report its findings and recommendations to the House of  
11 Representatives no later than November 30, 2012.