

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 1433 Session of  
2012

INTRODUCED BY GORDNER, PILEGGI, COSTA, BROWNE, WAUGH, ERICKSON,  
RAFFERTY, FONTANA, BAKER, ALLOWAY, VANCE, STACK, YUDICHAK,  
FERLO, PIPPY, GREENLEAF, SCHWANK, WOZNIAK, BLAKE, BREWSTER,  
ARGALL, ORIE, LEACH, VOGEL, DINNIMAN AND BOSCOLA,  
MARCH 6, 2012

SENATOR YAW, URBAN AFFAIRS AND HOUSING, AS AMENDED, APRIL 2,  
2012

## AN ACT

1 Providing for the Homeowner Assistance Settlement Act;  
2 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,

2012, by the Attorney General of the Commonwealth and the leading United States mortgage servicing companies.

Section 3. Establishment of special fund, distribution of moneys and limitation on annual appropriation.

(a) Homeowner Assistance Settlement Fund.--There is established a special fund known as the Homeowner Assistance Settlement Fund. All payments received by the Commonwealth pursuant to the Homeowner Assistance Settlement Agreement shall be deposited by the Treasury Department into the fund.

(b) Distribution of funds.--Subject to ~~annual~~ AN appropriation EACH FISCAL YEAR by the General Assembly, the moneys in the fund shall be distributed proportionally, subject to the following limitations:

(1) No ~~more~~ LESS than 90% of the funds distributed shall be appropriated to the Pennsylvania Housing Finance Agency for the purpose of funding the Homeowner's Emergency Mortgage Assistance Program.

(2) No more than 10% of the funds distributed shall be appropriated to the Office of Attorney General for the purpose of funding housing consumer protection programs.

(c) Limitation on annual appropriation.--The annual appropriation of funds under subsection (b) shall not exceed \$12,000,000 annually.

~~Section 4. Investment of fund and accounts.~~

~~(a) Control and management.--Notwithstanding any other provision of law, the State Treasurer shall have exclusive control and authority to manage, invest and reinvest money in the fund, subject, however, to the exercise of that degree of judgment, skill and care under the circumstances then prevailing that persons of prudence, discretion and intelligence, who are~~

~~familiar with investment matters, exercise in the management of  
their own affairs, not in regard to speculation but in regard to  
permanent disposition of the funds, considering the probable  
income to be derived from the investments and the probable  
safety of their capital. The State Treasurer may hold, purchase,  
sell, lend, assign, transfer or dispose of any securities and  
investments, including equity securities, in which money in the  
fund or the accounts has been invested and of the proceeds of  
the investments, including any directed commissions that have  
accrued to the benefit of the fund or the accounts as a  
consequence of the investments, and of money belonging to the  
fund or the accounts subject to the standard of prudence in this  
section.~~

~~(b) Fiduciary status of the State Treasurer. The State  
Treasurer shall stand in a fiduciary relationship to the  
Commonwealth and its citizens regarding the investments of the  
money of the fund and the accounts and shall not profit, either  
directly or indirectly, with respect thereto.~~

~~(c) Custodian. The State Treasurer shall be the custodian  
of the fund and the accounts. All investment draws from the fund  
or the accounts shall be made by the State Treasurer in  
accordance with requisitions signed by the secretary of the  
board and ratified by resolution of the board.~~

#### SECTION 4. SUPPLEMENTAL APPROPRIATION.

IN ADDITION TO THE APPROPRIATION PROVIDED FOR UNDER SECTION  
236 OF THE ACT OF JUNE 30, 2011 (P.L.633, NO.1A), KNOWN AS THE  
GENERAL APPROPRIATION ACT OF 2011, THE SUM OF \$6,000,000 IS  
HEREBY APPROPRIATED FROM THE FUND TO THE PENNSYLVANIA HOUSING  
FINANCE AGENCY FOR THE PURPOSE OF A SUPPLEMENTAL APPROPRIATION  
FOR THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM FOR



1 THE FISCAL PERIOD BEGINNING JULY 1, 2011, TO JUNE 30, 2012.

2 Section 5. Effective date.

3 This act shall take effect immediately.