

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 181      Session of  
2005

---

INTRODUCED BY JAMES, WATERS, THOMAS, WASHINGTON, YOUNGBLOOD,  
TANGRETTI, GOODMAN, MANDERINO, GEORGE, KIRKLAND, SHANER,  
CURRY, BUXTON, HENNESSEY, ROONEY, TIGUE, DeWEESE, WOJNAROSKI,  
BISHOP, WALKO, MUNDY, READSHAW, FRANKEL, W. KELLER, SOLOBAY,  
WHEATLEY, BEBKO-JONES, CALTAGIRONE, FABRIZIO, HARPER,  
PRESTON, CRUZ, BLACKWELL AND JOSEPHS, FEBRUARY 1, 2005

---

REFERRED TO COMMITTEE ON INTERGOVERNMENTAL AFFAIRS,  
FEBRUARY 1, 2005

---

AN ACT

1 Allocating a percentage of the net proceeds from all unclaimed  
2 funds from sheriffs' sales of residential real property to  
3 the Pennsylvania Housing Finance Agency for the purpose of  
4 assisting potential homebuyers with the financing and  
5 purchase of homes at sheriffs' sales; and establishing the  
6 Sheriffs' Sales Homeownership Assistance Fund and the  
7 Sheriffs' Sales Homeownership Assistance Program.

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

10 Section 1. Short title.

11 This act shall be known and may be cited as the Sheriffs'  
12 Sales Homeownership Assistance Act.

13 Section 2. Declaration of purpose.

14 The General Assembly declares the following to be the  
15 purposes of this act:

16 (1) To assist potential homeowners with the financing,  
17 purchase and improvement of a home.

18 (2) To recognize that homeownership is a privilege which

1 should not be reserved solely for the wealthy but should be  
2 available to working and middle class families who seek the  
3 joy and comfort which come with homeownership.

4 (3) To enhance the programs of the Pennsylvania Housing  
5 Finance Agency which include assisting families with the  
6 purchase of homes.

7 Section 3. Definitions.

8 The following words and phrases when used in this act shall  
9 have the meanings given to them in this section unless the  
10 context clearly indicates otherwise:

11 "Agency." The Pennsylvania Housing Finance Agency of the  
12 Commonwealth.

13 "Fund." The Sheriffs' Sales Homeownership Assistance Fund  
14 established in section 4 (relating to Sheriffs' Sales  
15 Homeownership Assistance Fund).

16 "Program." The Sheriffs' Sales Homeownership Assistance  
17 Program.

18 "Unclaimed funds." Funds acquired by a sheriff's sale of  
19 residential real property within this Commonwealth exceeding  
20 outstanding debt which is left unclaimed by the owner and that  
21 revert to the General Fund in accordance with section 13.1 of  
22 the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal  
23 Code.

24 Section 4. Sheriffs' Sales Homeownership Assistance Fund.

25 Fifty percent of all unclaimed funds shall be deposited in  
26 the Sheriffs' Sales Homeownership Assistance Fund, which is  
27 hereby established as a separate fund in the State Treasury. The  
28 moneys of the fund shall be used by the agency for the purpose  
29 of assisting potential sheriffs' sale owner-occupied homebuyers  
30 with the financing, purchase and improvement of a home.

1 Section 5. Sheriffs' Sales Homeownership Program.

2 The agency shall use moneys in the fund for the Sheriffs'  
3 Sales Homeownership Program, which is hereby established. The  
4 program will consist of loan guarantees or other credit  
5 enhancement offered by the agency for the purpose of assisting  
6 families in this Commonwealth with the purchase and improvement  
7 of homes sold at sheriffs' sales. The agency may make advances  
8 or provide other means of guaranteed payment from the fund to  
9 qualified lenders for the purpose of guaranteeing, endorsing or  
10 acting as surety on mortgages and home improvement loans on such  
11 terms and conditions and according to regulations the agency  
12 shall prescribe consistent with the purposes of this act.

13 Section 6. Rules and procedures.

14 (a) Regulations.--The agency shall promulgate regulations to  
15 govern and administer mortgage and home improvement loan  
16 guarantees, credit enhancement or home improvement loans from  
17 the fund to qualified low-income or moderate-income buyers for  
18 the purchase of owner-occupied residential housing at sheriffs'  
19 sales or the improvement of owner-occupied residential real  
20 property purchased at sheriffs' sales.

21 (b) Distribution of funds.--The agency shall distribute the  
22 moneys in the fund in direct proportion to the county of their  
23 origin.

24 (c) Mortgage guarantees.--Mortgage guarantees administered  
25 under the auspices of the program may not exceed the lesser of  
26 actual purchase price or appraised value of the real property.

27 (d) Home improvement loans and loan guarantees.--

28 (1) Home improvement loans and loan guarantees  
29 administered under the program shall be used solely for  
30 improvements designed to assure compliance with United States

1 Federal Housing Administration standards for safe dwellings  
2 or similar regulations promulgated by the agency.

3 (2) Necessary improvements shall be determined through  
4 the inspection of the applicable residence by an inspector  
5 qualified by the agency to perform such inspections.

6 (e) Other agency programs.--The agency shall attempt, to the  
7 fullest extent possible, to integrate the program with its other  
8 homeownership programs to enhance the success of all  
9 homeownership efforts.

10 (f) Administrative expense.--Investment and interest  
11 earnings on moneys in the fund may be used by the agency to  
12 cover the administrative costs of the program.

13 Section 7. Applicability.

14 This act shall apply to sheriffs' sales of residential real  
15 property conducted on or after July 1 of the calendar year  
16 following the effective date of this act.

17 Section 8. Effective date.

18 This act shall take effect in 60 days.