

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 523 Session of
2005

INTRODUCED BY WONDERLING, WAUGH, LOGAN, GORDNER, STOUT,
TOMLINSON, D. WHITE, MUSTO, RAFFERTY, KITCHEN, RHOADES,
COSTA, ROBBINS, PILEGGI, EARLL, GREENLEAF, KASUNIC, PIPPY,
ERICKSON, ORIE, BOSCOLA AND C. WILLIAMS, MARCH 29, 2005

REFERRED TO URBAN AFFAIRS AND HOUSING, MARCH 29, 2005

AN ACT

1 Amending the act of December 3, 1959 (P.L.1688, No.621),
2 entitled, as amended, "An act to promote the health, safety
3 and welfare of the people of the Commonwealth by broadening
4 the market for housing for persons and families of low and
5 moderate income and alleviating shortages thereof, and by
6 assisting in the provision of housing for elderly persons
7 through the creation of the Pennsylvania Housing Finance
8 Agency as a public corporation and government
9 instrumentality; providing for the organization, membership
10 and administration of the agency, prescribing its general
11 powers and duties and the manner in which its funds are kept
12 and audited, empowering the agency to make housing loans to
13 qualified mortgagors upon the security of insured and
14 uninsured mortgages, defining qualified mortgagors and
15 providing for priorities among tenants in certain instances,
16 prescribing interest rates and other terms of housing loans,
17 permitting the agency to acquire real or personal property,
18 permitting the agency to make agreements with financial
19 institutions and Federal agencies, providing for the purchase
20 by persons of low and moderate income of housing units, and
21 approving the sale of housing units, permitting the agency to
22 sell housing loans, providing for the promulgation of
23 regulations and forms by the agency, prescribing penalties
24 for furnishing false information, empowering the agency to
25 borrow money upon its own credit by the issuance and sale of
26 bonds and notes and by giving security therefor, permitting
27 the refunding, redemption and purchase of such obligations by
28 the agency, prescribing remedies of holders of such bonds and
29 notes, exempting bonds and notes of the agency, the income
30 therefrom, and the income and revenues of the agency from
31 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," establishing the Firefighter Mortgage Assistance Program.

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

Section 1. The act of December 3, 1959 (P.L.1688, No.621), known as the Housing Finance Agency Law, is amended by adding an article to read:

ARTICLE IV-D

FIREFIGHTER MORTGAGE ASSISTANCE PROGRAM

Section 401-D. Definitions.

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

"Applicant." A firefighter who applies for a loan under the Firefighters Mortgage Assistance Program established in section 402-D for the purpose of financing the purchase of residential property.

"Firefighter." A person who provides services, without receipt of remuneration for those services as either of the following:

(1) A volunteer member of a fire company, organized and existing under the laws of this Commonwealth.

(2) A volunteer member of any fire police unit, rescue squad, ambulance corps or other like organization affiliated with one or more fire companies.

The term includes a person who is a member of such a fire company or affiliated organization and who participates in the fire service without receipt of remuneration for that participation.

"Participating municipality." A city, township, borough or

incorporated town that, by resolution of its legislative body,
elects to participate in the Firefighter Mortgage Assistance
Program established in section 402-D.

"Program." The Firefighter Mortgage Assistance Program
established under section 402-D.

"Residential property." A one-family, two-family or three-
family residence located in a participating municipality.

Section 402-D. Establishment of program.

The agency shall develop and, in cooperation with
participating municipalities, administer a program, to be known
as the Firefighter Mortgage Assistance Program, to encourage
firefighters to purchase and live in residential property in the
municipalities in which they serve. Under the program, the
agency shall provide low-interest loans to firefighters for the
purchase of residential property in such municipalities, in
accordance with the provisions of this article. The agency shall
provide not more than \$10,000,000 for the program. Each year of
service following the purchase of the home, \$1,000 will be
credited towards the grant, whereby after five years, the grant
shall be forgiven.

Section 403-D. Eligibility.

(a) General rule.--Subject to the provisions of subsection
(b), an applicant who seeks assistance under this article must:

(1) Be a firefighter.

(2) Certify intent to use the loan funds in connection
with the purchase of residential property located in the
municipality in which the applicant volunteers.

(3) Certify intent to own and reside at the residential
property on a permanent and full-time basis for at least five
years.

1 (b) Limitation.--No firefighter shall be eligible under this
2 article for more than one outstanding mortgage loan at a time
3 and no person shall be eligible to receive a second mortgage
4 loan on a residential property already mortgaged by the
5 firefighter. Preference shall be given in making grants to
6 volunteer firefighters who are applying to acquire or construct
7 a first principal place of residence.

8 Section 404-D. Enforcement of residency requirement.

9 The agency may enforce the five-year residency agreement set
10 forth in section 403-D(a)(3) through the use of restrictive
11 mortgage covenants, deed restrictions or other penalties deemed
12 appropriate by the agency to accomplish the legislative purpose
13 of encouraging firefighters to purchase a residential property
14 and reside in the municipality in which they volunteer.

15 Section 405-D. Occupancy requirement.

16 (a) General rule.--A firefighter who receives a grant under
17 this article shall, within 120 days of the date on which the
18 grant is made, occupy the residence as the firefighter's
19 principal dwelling place.

20 (b) Effect of resignation and sale.--If a firefighter who
21 receives a grant resigns from employment, sells or ceases to
22 occupy the residence as the volunteer firefighter's principal
23 residence, the amount of the grant, in accordance with section
24 402-D shall be due and payable on the 120th day following that
25 action.

26 Section 406-D. Bonds and notes.

27 The agency shall borrow money for the operation and
28 administration of the program by the making of notes and by the
29 issuance of bonds in accordance with the provisions of Article
30 V.

1 Section 407-D. Regulations.

2 The agency shall promulgate regulations to carry out the
3 provisions of this article.

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