

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, C. WILLIAMS AND FERLO,
MARCH 29, 2005

SENATOR PILEGGI, URBAN AFFAIRS AND HOUSING, AS AMENDED,
JUNE 21, 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

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 GRANT OR 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.

1 "Participating municipality." A city, township, borough or
2 incorporated town that, by resolution of its legislative body,
3 elects to participate in the Firefighter Mortgage Assistance
4 Program established in section 402-D.

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

7 "Residential property." A ~~one family, two family or three~~ <—
8 ~~family residence~~ SINGLE-FAMILY RESIDENCE OR UNIT located in a <—
9 participating municipality.

10 Section 402-D. Establishment of program.

11 The agency shall develop and, in cooperation with
12 participating municipalities, administer a program, to be known
13 as the Firefighter Mortgage Assistance Program, to encourage
14 firefighters to purchase and live in residential property in the
15 municipalities in which they serve. Under the program, the
16 agency shall provide GRANTS OF UP TO \$5,000 OR low-interest <—
17 loans to firefighters for the purchase of residential property
18 in such municipalities, in accordance with the provisions of
19 this article. The agency shall provide not more than \$10,000,000
20 for the program. ~~Each~~ WITH REGARD TO A GRANT ISSUED UNDER THE <—
21 PROGRAM, AFTER EACH year of service following the purchase of
22 the home, \$1,000 will be credited towards the grant, whereby
23 after five years, the grant shall be forgiven.

24 Section 403-D. Eligibility.

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

27 (1) Be a firefighter.

28 (2) Certify intent to use the GRANT OR loan funds in <—
29 connection with the purchase of residential property located
30 in the municipality in which the applicant volunteers.

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

4 (b) Limitation.--No firefighter shall be eligible under this
5 article for more than one outstanding GRANT OR mortgage loan at <—
6 a time, and no person shall be eligible to receive a second <—
7 GRANT OR mortgage loan on a residential property already <—
8 mortgaged by the firefighter. Preference shall be given in
9 making grants AND LOANS to volunteer firefighters who are <—
10 applying to acquire or construct a first ~~principal place of~~ <—
11 ~~residence~~ RESIDENTIAL PROPERTY. <—

12 Section 404-D. Enforcement of residency requirement.

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

19 Section 405-D. Occupancy requirement.

20 (a) General rule.--A firefighter who receives a grant OR <—
21 LOAN under this article shall, within 120 days of the date on
22 which the grant OR LOAN is made, occupy the residence as the <—
23 firefighter's principal dwelling place.

24 (b) Effect of resignation and sale.--If a firefighter who
25 receives a grant resigns from employment, sells or ceases to
26 occupy the residence as the volunteer firefighter's principal
27 residence, the amount of the grant REMAINING UNFORGIVEN in <—
28 accordance with section 402-D shall be ~~due and payable~~ REPAID TO <—
29 THE AGENCY on the 120th day following that action.

30 Section 406-D. Bonds and notes.

1 The agency shall borrow money for the operation and
2 administration of the program by the making of notes and by the
3 issuance of bonds in accordance with the provisions of Article
4 V.

5 Section 407-D. Regulations.

6 The agency shall promulgate regulations to carry out the
7 provisions of this article.

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