

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 222 Session of 2009

INTRODUCED BY GREENLEAF, WASHINGTON, ERICKSON, BOSCOLA, COSTA,
STACK, WILLIAMS AND FERLO, FEBRUARY 19, 2009

REFERRED TO URBAN AFFAIRS AND HOUSING, FEBRUARY 19, 2009

AN ACT

1 Amending Title 42 (Judiciary and Judicial Procedure) of the
2 Pennsylvania Consolidated Statutes, in actions, proceedings
3 and other matters generally, providing for mortgage
4 foreclosure conciliation programs.

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

7 Section 1. Title 42 of the Pennsylvania Consolidated
8 Statutes is amended by adding a section to read:

9 § 5109. Mortgage foreclosure conciliation programs.

10 (a) Program establishment.--The court of common pleas in
11 each county shall establish a residential mortgage foreclosure
12 conciliation program to assist mortgagors and mortgagees in
13 achieving a mutually agreeable resolution to a mortgage
14 foreclosure action.

15 (b) Model guidelines.--The Pennsylvania Supreme Court shall
16 develop model guidelines for the implementation of this section.

17 (c) Eligibility requirements.--

18 (1) A mortgage foreclosure action involving a
19 residential mortgage that is subject to execution to enforce

1 a residential mortgage shall be scheduled for a conciliation
2 conference prior to the entry of judgment in the foreclosure
3 action. The property must be located in this Commonwealth and
4 be a one-family or two-family, owner-occupied structure.

5 (2) A mortgage foreclosure action involving real
6 property that is neither owner-occupied nor residential does
7 not qualify for a conciliation conference under this section.

8 (d) Complaint and notification.--Once a mortgage foreclosure
9 action is initiated by a mortgagee with the filing of a
10 complaint in the county prothonotary's office, the service of
11 the complaint shall include a notice from the court of common
12 pleas informing the mortgagor of the court's residential
13 mortgage foreclosure conciliation program and either provide a
14 scheduled date and time for the conciliation conference or
15 otherwise advise the defendant of the right to attend a
16 conciliation conference prior to the entry of a judgment in the
17 foreclosure action and the process required to schedule such a
18 conference. The mortgagee or the mortgagee's legal
19 representative shall also be notified of the scheduled
20 conciliation conference.

21 (e) Conciliation conference.--

22 (1) The conciliation conference shall be conducted by a
23 civil case manager or other person designated by the court, a
24 judge pro tempore who possesses experience in the subject
25 matter or a judge of the court of common pleas.

26 (2) The conciliation conference shall address all issues
27 of foreclosure, including:

28 (i) Whether the mortgagor is represented and, if not
29 represented, whether volunteer counsel may be available
30 and appointed.

1 (ii) Whether the mortgagor met with a representative
2 of a consumer credit counseling agency.

3 (iii) Whether the consumer credit counseling agency
4 prepared an assessment or report providing options to
5 help resolve the foreclosure action.

6 (iv) Copies of any completed application for
7 mortgage or financial assistance.

8 (v) Mortgagor's income and expense information.

9 (vi) Mortgagor's employment status.

10 (vii) Restructuring of the mortgage debt.

11 (viii) Whether the case may proceed to sheriff sale,
12 if there is no prospect of an amicable resolution.

13 (f) Effect of failure to attend conference.--

14 (1) If a mortgagor fails to appear for a scheduled
15 conciliation conference, the requirement for the conference
16 shall be deemed satisfied upon verification that the required
17 notice was served and, if so, an order shall be issued
18 authorizing the mortgagee to proceed with the action.

19 (2) If the mortgagee or legal representative of the
20 mortgagee fails to appear for a scheduled conciliation
21 conference, the case shall not proceed until a rescheduled
22 conference is held.

23 (g) Reporting.--The court shall compile information relating
24 to the results of the conciliation program and report that
25 information at least annually to the Administrative Office of
26 Pennsylvania Courts to be included in its annual report.

27 (h) Sheriff sale.--Notwithstanding any other provision of
28 law to the contrary, primary residences which are subject to
29 execution to enforce a residential mortgage cannot proceed to a
30 sheriff sale until a conciliation conference is held or the

1 mortgagor fails to appear for the conference as set forth in
2 this section.

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