

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, BOSCOLA AND MENSCH,
MARCH 6, 2012

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 23, 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~~ THE EFFECT OF NONCOMPLIANCE
5 WITH THE NOTICE REQUIREMENTS OF THE HOMEOWNER'S EMERGENCY
6 MORTGAGE ASSISTANCE PROGRAM AND FOR ALLOCATIONS FROM THE
7 FUND.



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 Homeowner
12 Assistance Settlement Act.

13 Section 2. Definitions.

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

17 "Fund." The Homeowner Assistance Settlement Fund established
18 in section 3(a).

"Homeowner Assistance Settlement Agreement." The settlement 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.

"HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM." THE PROGRAM ADMINISTERED BY THE PENNSYLVANIA HOUSING FINANCE AGENCY AND ESTABLISHED UNDER ARTICLE IV-C OF THE ACT OF DECEMBER 3, 1959 (P.L.1688, NO.621), KNOWN AS THE HOUSING FINANCE AGENCY LAW.

~~Section 3. Establishment of special fund, distribution of moneys and limitation on annual appropriation~~
HOMEOWNER ASSISTANCE SETTLEMENT FUND.

(a) ~~Homeowner Assistance Settlement Fund~~ ESTABLISHMENT.--

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 AND ARE HEREBY APPROPRIATED ON A CONTINUING BASIS.

(b) ~~Distribution~~ ALLOCATION of funds.--The moneys in the fund shall be ~~distributed~~ ALLOCATED each fiscal year no later than July 1, ~~by the State Treasurer~~ UNTIL ALL SETTLEMENT FUNDS ARE EXPENDED, subject to the following limitations:

(1) Ninety percent shall be ~~distributed~~ ALLOCATED to the Pennsylvania Housing Finance Agency for the purpose of funding the Homeowner's Emergency Mortgage Assistance Program.

(2) Five percent shall be ~~distributed~~ ALLOCATED to the Office of Attorney General for the purpose of funding housing consumer protection programs.

(3) Five percent shall be ~~distributed~~ ALLOCATED to the

Access to Justice Account established under 42 Pa.C.S. § 4904
(relating to establishment of Access to Justice Account) for
civil legal assistance related to housing issues.

(c) Limitation on annual ~~distribution~~ ALLOCATION.--The
annual ~~distribution~~ ALLOCATION of funds under subsection (b)
shall not exceed \$12,000,000 annually, EXCEPT THAT IN FISCAL
YEAR 2012-2013 THE AMOUNT SHALL NOT EXCEED \$18,000,000.

Section 4. Initial ~~distribution~~ ALLOCATION.

~~The~~ IN ADDITION TO ANY ALLOCATION UNDER SECTION 3, THE sum of
\$6,000,000 is hereby ~~distributed~~ ALLOCATED from the fund FOR
FISCAL YEAR 2012-2013 to the Pennsylvania Housing Finance Agency
for the Homeowner's Emergency Mortgage Assistance Program.

SECTION 5. EFFECT OF NONCOMPLIANCE WITH NOTICE REQUIREMENTS IN
THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE
PROGRAM.

THE FOLLOWING PROVISIONS SHALL APPLY RELATING TO THE
HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM:

(1) IF THERE HAS BEEN A FAILURE TO COMPLY WITH THE
NOTICE REQUIREMENTS OF SECTIONS 402-C AND 403-C OF THE ACT OF
DECEMBER 3, 1959 (P.L.1688, NO.621), KNOWN AS THE HOUSING
FINANCE AGENCY LAW, AND SUCH FAILURE HAS BEEN PROPERLY RAISED
IN A LEGAL ACTION, INCLUDING AN ACTION IN FORECLOSURE, FOR
MONEY DUE UNDER THE MORTGAGE OBLIGATION OR TO TAKE POSSESSION
OF THE MORTGAGOR'S SECURITY, THE COURT MAY DISMISS THE ACTION
WITHOUT PREJUDICE, ORDER THE SERVICE OF A CORRECTED NOTICE
DURING THE ACTION OR IMPOSE OTHER APPROPRIATE REMEDIES IN THE
ACTION TO ADDRESS THE INTERESTS, IF ANY, OF THE MORTGAGOR WHO
HAS BEEN PREJUDICED THEREBY.

(2) THE FAILURE OF A MORTGAGEE TO COMPLY WITH THE
REQUIREMENTS OF SECTIONS 402-C AND 403-C OF THE HOUSING

1 FINANCE AGENCY LAW MUST BE RAISED IN A LEGAL ACTION BEFORE
2 THE EARLIER OF ENTRY OF FINAL JUDGMENT IN AN ACTION IN
3 FORECLOSURE OR DELIVERY OF A DEED BY THE MORTGAGOR.

4 (3) THE FAILURE OF A MORTGAGEE TO COMPLY WITH THE
5 REQUIREMENTS OF SECTIONS 402-C AND 403-C OF THE HOUSING
6 FINANCE AGENCY LAW SHALL NOT DEPRIVE A COURT OF JURISDICTION
7 OVER ANY LEGAL ACTION, INCLUDING AN ACTION IN FORECLOSURE,
8 FOR MONEY DUE UNDER THE MORTGAGE OBLIGATION OR TO TAKE
9 POSSESSION OF THE MORTGAGOR'S SECURITY.

10 (4) THE FAILURE OF A MORTGAGEE TO COMPLY WITH THE
11 REQUIREMENTS OF SECTIONS 402-C AND 403-C OF THE HOUSING
12 FINANCE AGENCY LAW SHALL NOT IMPAIR THE CONVEYANCE OR OTHER
13 TRANSFER OF LAND AND THE TITLE OF PROPERTY SUBJECT TO A
14 MORTGAGE OBLIGATION COVERED UNDER THE HOUSING FINANCE AGENCY
15 LAW.

16 SECTION 6. SEVERABILITY.

17 THE PROVISIONS OF THIS ACT SHALL BE SEVERABLE. IF ANY
18 PROVISION SHALL BE HELD TO BE INVALID, ILLEGAL OR OTHERWISE
19 UNENFORCEABLE, THE VALIDITY, LEGALITY AND ENFORCEABILITY OF THE
20 REMAINING PROVISIONS SHALL NOT BE AFFECTED OR IMPAIRED THEREBY.

21 SECTION 7. APPLICABILITY.

22 THE PROVISIONS OF SECTION 5 SHALL APPLY RETROACTIVE TO JUNE
23 5, 1999.

24 Section ~~5~~ 8. Effective date.

25 This act shall take effect immediately.

