A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to
2 examine the causal factors of home foreclosure in this
3 Commonwealth and make recommendations on best practices for
4 mitigating foreclosure.

WHEREAS, Section 412-C of the Housing Finance Agency Law
stipulates that the Pennsylvania Housing Finance Agency (PHFA)
monitor foreclosure activity and trends in this Commonwealth by
using data and information accumulated from notices and
applications for emergency mortgage assistance; and

WHEREAS, In 2005, at the behest of PHFA and the Department of
Banking, The Reinvestment Fund (TRF) completed a study of
mortgage foreclosures in Pennsylvania; and

WHEREAS, The study conducted by TRF revealed that a
disproportionate number of foreclosed properties manifest a
pattern of predatory lending; and

WHEREAS, The study conducted by TRF concluded that although
Pennsylvania's foreclosure rates had decreased by the fourth
quarter of 2006, Pennsylvania's high percentage of seriously
delinquent prime loans during the fourth quarter of 2006 was
indicative that many foreclosures lie ahead in the immediate
future; and

WHEREAS, While the General Assembly has enacted laws, such as
the Loan Interest and Protection Law (Usury Law) and Act 91 of
1983, in an effort to mitigate foreclosures, only a minority of
homeowners are able to reap the benefits as set forth in those
laws, resulting in the exclusion of the most vulnerable
homeowners; therefore be it

RESOLVED, That the House of Representatives direct the
Legislative Budget and Finance Committee to conduct a study of
foreclosures in this Commonwealth; and be it further

RESOLVED, That the Legislative Budget and Finance Committee
seek input from those groups most likely to make insightful
contributions, such as representatives of banks, realty
companies, county sheriffs, foreclosure mitigation programs,
social services agencies, offices of unemployment compensation
and academia; and be it further

RESOLVED, That the Legislative Budget and Finance Committee
include the following in its study:

(1) Whether there has been an increase in home
foreclosures since the 2006 study completed by The
Reinvestment Fund.

(2) The varying rates of foreclosure by county.

(3) Whether a specific demographic is impacted more
severely by foreclosure.

(4) The correlation between rising unemployment rates
and foreclosure.

(5) The extent to which current Pennsylvania law
effectively mitigates foreclosure.

(6) Recommendations as to legislation that will refine the criteria by which mortgagors are considered and approved for prime and subprime loans;

and be it further

RESOLVED, That the Legislative Budget and Finance Committee hold public hearings as necessary to receive testimony about any of the subjects enumerated in this resolution; and be it further

RESOLVED, That the Legislative Budget and Finance Committee report its findings and recommendations to the House of Representatives no later than November 30, 2012.