

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2403 Session of
2008

INTRODUCED BY J. TAYLOR, W. KELLER, SCAVELLO, WALKO, BEYER,
CAPPELLI, CIVERA, CREIGHTON, HERSHEY, JAMES, KENNEY, KORTZ,
McGEEHAN, MUNDY, M. O'BRIEN, SURRA, WATSON, MOYER, JOSEPHS
AND YOUNGBLOOD, APRIL 1, 2008

REFERRED TO COMMITTEE ON COMMERCE, APRIL 1, 2008

AN ACT

1 Amending Title 42 (Judiciary and Judicial Procedure) of the
2 Pennsylvania Consolidated Statutes, providing for viable
3 alternatives to mortgage foreclosure.

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

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

8 CHAPTER 80

9 VIABLE ALTERNATIVES TO MORTGAGE FORECLOSURE

10 Sec.

11 8001. Declaration of policy.

12 8002. Delay in execution.

13 § 8001. Declaration of policy.

14 The General Assembly finds and declares as follows:

15 (1) Mortgage foreclosures are increasing dramatically in
16 this Commonwealth.

17 (2) Mortgage foreclosures related to subprime mortgages

1 will cost the economy of this Commonwealth \$2,420,000,000.

2 (3) Many mortgage foreclosures are the result of
3 predatory lending, in which real estate brokers or lenders
4 convince borrowers to take risky, soon-to-be unaffordable
5 loans.

6 (4) It is in the interest of the Commonwealth to delay
7 mortgage foreclosures in order to:

8 (i) allow financial recovery for families; and

9 (ii) encourage negotiated settlements.

10 § 8002. Delay in execution.

11 (a) Scope.--This section applies to an action of mortgage
12 foreclosure if the real property subject to the mortgage is the
13 only residence of the defendant.

14 (b) Order.--In an action under subsection (a), after entry
15 of judgment and before issuance of a writ of execution, the
16 court shall issue an order requiring the defendant to make 12
17 monthly payments in equal amounts so that the final payment:

18 (1) discharges the judgment in full; and

19 (2) pays interest on the judgment in accordance with the
20 underlying obligation.

21 (c) Writ.--In an action under subsection (a), the court
22 shall not issue writ of execution until one of the following
23 occurs:

24 (1) The defendant misses two payments.

25 (2) The final payment is completed and the amount of all
26 payments is less than the amount required under subsection
27 (b).

28 (d) Vacation of judgment.--If the defendant completes all
29 payments under the order in the amount specified under
30 subsection (a), the court shall vacate the judgment.

1 Section 2. The addition of 42 Pa.C.S. Ch. 80 shall apply to
2 actions of mortgage foreclosure initiated on or after the
3 effective date of this section.

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