
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, MENSCH AND
FARNESE, MARCH 6, 2012

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 6, 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).

1 "Homeowner Assistance Settlement Agreement." The settlement
2 agreement and related documents entered into on February 9,
3 2012, by the Attorney General of the Commonwealth and the
4 leading United States mortgage servicing companies.

5 "HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM." THE ←
6 PROGRAM ADMINISTERED BY THE PENNSYLVANIA HOUSING FINANCE AGENCY
7 AND ESTABLISHED UNDER ARTICLE IV-C OF THE ACT OF DECEMBER 3,
8 1959 (P.L.1688, NO.621), KNOWN AS THE HOUSING FINANCE AGENCY
9 LAW.

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

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

14 There is established a special fund known as the Homeowner
15 Assistance Settlement Fund. All payments received by the
16 Commonwealth pursuant to the Homeowner Assistance Settlement
17 Agreement shall be deposited by the Treasury Department into the
18 fund AND ARE HEREBY APPROPRIATED ON A CONTINUING BASIS. ←

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

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

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

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

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

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

8 Section 4. Initial ~~distribution~~ ALLOCATION. ←

9 ~~The~~ IN ADDITION TO ANY ALLOCATION UNDER SECTION 3, THE sum of ←
10 \$6,000,000 is hereby ~~distributed~~ ALLOCATED from the fund FOR ←
11 FISCAL YEAR 2012-2013 to the Pennsylvania Housing Finance Agency
12 for the Homeowner's Emergency Mortgage Assistance Program.

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

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

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

30 (2) THE FAILURE OF A MORTGAGEE TO COMPLY WITH THE

1 REQUIREMENTS OF SECTIONS 402-C AND 403-C OF THE HOUSING
2 FINANCE AGENCY LAW MUST BE RAISED IN A LEGAL ACTION BEFORE
3 THE EARLIER OF ~~ENTRY OF FINAL JUDGMENT IN AN ACTION IN~~ ←
4 ~~FORECLOSURE OR~~ DELIVERY OF A SHERIFF'S OR MARSHAL'S DEED IN ←
5 THE FORECLOSURE ACTION OR DELIVERY OF A DEED BY THE
6 MORTGAGOR.

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

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

19 SECTION 6. SEVERABILITY.

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

24 SECTION 7. APPLICABILITY.

25 THE PROVISIONS OF SECTION 5 SHALL APPLY ~~RETROACTIVE~~ ←
26 RETROACTIVELY TO JUNE 5, 1999. ←

27 Section ~~5~~ 8. Effective date. ←

28 This act shall take effect immediately.