SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1433

PRINTER'S NO. 2164

AMOUNT

FY 2011-12 $6,000,000
FY 2012-13 $12,000,000

FUND

Homeowner Assistance Settlement

DATE INTRODUCED

March 6, 2012

PRIME SPONSOR

Senator Gordner

HISTORY OF BILL

Referred to URBAN AFFAIRS AND HOUSING, March 6, 2012
Reported as amended, April 2, 2012
First consideration, April 2, 2012
Second consideration, April 3, 2012
Re-committed to APPROPRIATIONS, April 3, 2012
Re-reported as amended, May 8, 2012

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1433, to be known as the Homeowner Assistance Settlement Act, establishes an account known as the Homeowner Assistance Settlement Fund (Fund). All payments from the Homeowner Assistance Settlement Agreement shall be deposited by the Treasury Department into the Fund. The Homeowner Assistance Settlement Agreement was entered into on February 9, 2012, by the Pennsylvania Attorney General and the leading United States mortgage servicing companies.

The bill specifies the distribution of moneys in the Fund, in a total amount not to exceed $12,000,000. As amended, the bill provides that each fiscal year, no later than July 1, the Treasurer shall distribute 90% of these moneys from the Fund to the Pennsylvania Housing Finance Agency (PHFA) for the purpose of funding the Homeowners' Emergency Mortgage Assistance Program (HEMAP). The bill also provides that 5% of the moneys be distributed to the Office of the Attorney General (OAG) for the purpose of funding housing consumer protection programs. An additional 5% of the moneys are to be deposited into the Access to Justice Account for civil legal assistance related to housing issues.

In addition, the bill provides that the Treasurer immediately distribute, upon enactment of this legislation, $6,000,000 from the Fund to the PHFA for the purpose of funding the HEMAP.

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FISCAL NOTE

The Act takes effect immediately.

FISCAL IMPACT:

Upon enactment of this legislation, the sum of $6,000,000 from the Homeowner Assistance Settlement Fund shall be distributed by the Treasurer to the PHFA for the purpose of funding HEMAP. Beginning in FY 2012-13 and each fiscal year thereafter, the Treasurer shall distribute a sum not to exceed $12,000,000, of which 90% or $10.8 million shall be distributed to PHFA for the purpose of funding the HEMAP, 5% or $600,000 shall be distributed to the OAG for the purpose of funding housing consumer protection programs, and 5% or $600,000 shall be deposited into the Access to Justice Account for civil legal assistance related to housing issues. All monies deposited into the Fund are payments from the Homeowner Assistance Settlement Agreement. Therefore, there will be no adverse fiscal impact on the General Fund by this legislation.