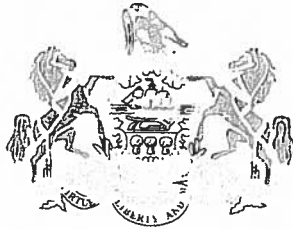


MATTHEW E. BAKER, MEMBER

PO BOX 202068
HARRISBURG, PA 17120-2068
PHONE: (717) 772-5371
FAX: (717) 705-1835

DISTRICT OFFICES:
74 MAIN STREET
WELLSBORO, PA 16901
PHONE: (570) 724-1390
FAX: (570) 724-2168

121 CANTON STREET
TROY, PA 16947
PHONE: (570) 297-3045
FAX: (570) 297-5551



House of Representatives

Commonwealth of Pennsylvania
Harrisburg

MEMORANDUM

CHAIRMAN, HEALTH COMMITTEE
HUMAN SERVICES COMMITTEE
RULES COMMITTEE
POLICY COMMITTEE

CAUCUSES
FIREFIGHTERS & EMERGENCY SERVICES
LOCAL TAX REFORM
RURAL HEALTH CARE
SPORTSMEN
TIMBER
DIABETES
LUPUS

APPOINTMENTS
STATE SYSTEM OF HIGHER EDUCATION
BOARD OF GOVERNORS
HEALTH CAREERS LEADERSHIP COUNCIL
CAPITOL PRESERVATION COMMITTEE

TO: ALL HOUSE MEMBERS

FROM: REP. MATT BAKER

DATE: SEPTEMBER 23, 2011

**SUBJECT: CO-SPONSORSHIP OF LEGISLATION TO CREATE A STATE
DISASTER LOAN PROGRAM (PRESENT HB 1866)**

Recently, I reintroduced legislation which I have introduced repeatedly since the 2003-2004 legislative session. In view of the recent federally declared flood disaster emergencies, as well as the numerous non-federally declared disasters over the past several years, I now once again want to put forth this State Disaster Loan Program. As well, I have been working with PEMA and the new administration on contemporary ideas to make this legislation a viable program in Pennsylvania.

This legislation amends Title 35 (Health and Safety) by establishing a State Disaster Loan Program to be administered by the Pennsylvania Emergency Management Agency (PEMA) in conjunction with other necessary state agencies.

The program will provide low-interest loans to repair homeowner's properties which were damaged due to a disaster. The properties must be primary residences.

The disaster loan program will only be activated when a county submits a damage survey report consisting of at least ten (10) primary residences damaged within that county and each property had an "uninsured" loss in excess of 40% of the pre-disaster fair market value of the home.

Applicants must first show proof other financial institutions (banks) will not grant them a loan, or that the loan repayment amount is beyond their financial capabilities.

In order to receive this loan, the homeowner must purchase and maintain insurance equal to the amount of the loan. The insurance shall be full coverage against natural hazards; and where appropriate, flood insurance will be required.

The maximum loan amount is \$50,000 and the minimum loan amount is \$1,000. Loans are limited to essential repairs which will make the primary residence sanitary and habitable.

The rate of interest for the loans shall be set by the Pennsylvania Housing Finance Agency through regulations.

In the interest of time, the bill was introduced this week and is now HB 1866. If you would like to cosponsor, please do so by adding your name onto HB 1866 through LDPC. If you have any questions, please do not hesitate to contact Gina Strine in my office at 772-5769 or via email at Gstrine@pahousegop.com

Thank you!