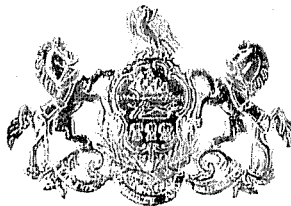


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Majority Caucus Chairman



Senate of Pennsylvania
MIKE WAUGH
SENATOR


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JAN 24 2012

MEMORANDUM

TO: All Senators

FROM: Senator Mike Waugh 

SUBJECT: Request to co-sponsor legislation
Allowing homeowners to protect primary residence from judgment

DATE: January 24, 2012

I am introducing legislation that creates a new subsection in Chapter 81, Subchapter B, of *Title 42 (Judiciary and Judicial Procedure)* of *Pennsylvania Consolidated Statutes*. This legislation, which was suggested by a constituent, will protect the primary residence of an individual subject to a judgment in court in many circumstances. At this point, 46 states have adopted some form of protection for either the primary residence, or land, in the case of a judgment against the owner.

Under this bill, a homeowner may file a "Declaration of Homestead" with the county recorder in his or her county of residence. With this declaration, up to \$300,000 of a person's primary residence is protected from a judgment. If the home is worth more than \$300,000, the home may be sold, but the homeowner automatically retains the first \$300,000 of the sale proceeds.

This declaration will not prevent the home from being sold to satisfy a judgment that is the result of a mortgage foreclosure, unpaid property taxes or a mechanic's lien.

The "Declaration of Homestead" shall only apply to the primary residence, and shall include condominiums, townhomes and mobile homes. It shall not be available to protect vacation homes, commercial properties (including residential rental properties) or undeveloped land owned by the person subject to the judgment.

This legislation was suggested by a constituent. He noted that he has paid off his mortgage, and wants to protect his main asset - the house - in order to help his children after they graduate from college. He is concerned that, if he is faced with large medical bills, he could lose this valuable asset in a court judgment. The ability to file a Declaration of Homestead in York County would prevent this from happening.

If you would like to co-sponsor this legislation, please contact Debbie Clark in my office via e-mail at dclark@pasen.gov, or by phone at 787-3817.