



FEB 27 2012

Senate of Pennsylvania

DATE: February 27, 2012
TO: All Senators
FROM: Senator John R. Gordner **JRG**
SUBJECT: Revised Cosponsor Memo on Proposed Legislation on Distribution of Multi-State Mortgage Servicing Settlement Funds

In the near future, I will be introducing legislation that will provide for a multi-year funding stream for PHFA, the Homeowners Emergency Mortgage Assistance Program (HEMAP), and the Attorney General's office.

As you may know, the Attorneys General of 49 states reached a \$25 billion settlement with the five biggest lenders - Ally Financial, JPMorgan Chase, Wells Fargo, Citigroup, and Bank of America - to end mortgage-servicing and home-foreclosure abuses stemming from so-called robo-signing practices.

Part of the settlement includes approximately \$50 to \$60 million which will be made available to the Commonwealth for consumer protection and foreclosure protection programs. The proposed legislation would direct this portion of the settlement to a trust fund for the purposes of funding housing assistance programs, consumer protection programs, and HEMAP for an extended period of years.

The legislation would earmark 90% of the funds for HEMAP and 10% to the Attorney General's office for housing consumer protection programs. To provide adequate funding for these programs, the legislation would release the funds in a manner that would provide funding for an extended number of years.

Please call my office at 787-8928 if you are interested in cosponsoring this legislation.