

ORIGINAL

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

COMMERCE COMMITTEE

IN RE: HOUSE BILL 2725

RYAN OFFICE BUILDING
ROOM 205
HARRISBURG, PENNSYLVANIA

THURSDAY, SEPTEMBER 14, 2004, 1:05 P.M.

BEFORE:

HON. GEORGE C. HASAY, MAJORITY CHAIRMAN
HON. THOMAS CALTAGIRONE, MINORITY CHAIRMAN
HON. RAYMOND BUNT, JR.
HON. BOB ALLEN
HON. MATTHEW BAKER
HON. SCOTT BOYD
HON. GORDON DENLINGER
HON. RICHARD GEIST
HON. KEITH GILLESPIE
HON. MATTHEW GOOD
HON. ADAM HARRIS
HON. DAVID MILLARD
HON. JERRY NAILOR
HON. STEVEN NICKOL
HON. DAVID REED
HON. MARIO SCAVELLO
HON. MATTHEW WRIGHT
HON. JAMES CASORIO
HON. TED HARHAI
HON. HAROLD JAMES
HON. PHYLLIS MUNDY
HON. LAWRENCE ROBERTS
HON. THOMAS TANGRETTI
HON. CURTIS THOMAS
HON. GUY TRAVAGLIO
HON. JAMES WANSACZ
HON. THOMAS YEWIC

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1 CHAIRMAN HASAY: The hour of 1:00
2 having arrived, the Commerce Committee will now
3 come to order. We are having a public hearing
4 today on House Bill 2725 which is a different
5 approach to help our folks that help us out and
6 volunteer, our volunteer firefighters and our
7 emergency medical people. This would help them
8 and perhaps assist them in purchasing a home.

9 As we look at volunteer firefighters
10 and volunteer EMTs, you have to look at the fact
11 that there's a minority of them and there's less
12 of them. They provide a great deal of assistance
13 and service to the residents of the Commonwealth.
14 So this is an out-of-the box approach from
15 Harrisburg introduced by Representative Ray Bunt.
16 Mr. Bunt is to my right and he will have some
17 remarks on it. Then we have some people here to
18 testify regarding that.

19 We have Brian Hudson, the Executive
20 Director of the Pennsylvania Housing Finance
21 Agency which is the legislation we would work
22 through. We have Gar Webb with Mooreland
23 Financial Services and Kevin White, President of
24 America's Home Mortgage Corporation. I'll start
25 with Representative Bunt on remarks.

1 provide volunteer firefighters and emergency
2 service personnel with homeownership assistance,
3 would help local governments recruit local
4 volunteer firefighters and emergency medical
5 responders in order to ensure that their
6 communities are adequately prepared to respond to
7 emergencies.

8 By way of background, in 1975 there
9 were an estimated 210,000 volunteer firefighters
10 in Pennsylvania. By 2000, twenty-five years
11 later, this number dropped to an estimated 70,000.
12 The Pennsylvania Fire and Emergency Services
13 Institute estimates that if the Commonwealth would
14 have to replace this volunteer system with a
15 full-time paid municipal fire department system,
16 it would cost about four and a half billion
17 dollars annually. This funding expense would fall
18 mostly on local governments, many of which are
19 already experiencing financial difficulties.

20 During the 1999-2000 legislative
21 session, the House of Representatives adopted
22 House Resolution 67 which charged the Governor's
23 Center for Local Government Services and the State
24 Fire Commissioner to examine current levels of
25 financial support by municipal governments for

1 fire services that are provided by volunteer fire
2 companies.

3 One of the occurring issues detailed
4 in the Center for Local Government Services'
5 report was the decline of volunteers and new
6 volunteer recruitment challenges. Specifically,
7 the report stated that changing demographics, work
8 habits, job locations, just the overall economic
9 environment that we live in, personal living
10 habits, they all have a negative impact on
11 volunteer fire services in the Commonwealth.
12 Therefore, it is a role of state and local
13 governments to offset these hardships and
14 challenges by offering incentives such as the one
15 presented here today in this legislation.

16 House Bill 2725 will establish a
17 program that provides volunteer firefighters and
18 affiliated emergency service personnel with
19 closing costs and down payment assistance to
20 purchase a home in the municipalities where they
21 serve. The program would be administered by the
22 Pennsylvania Housing Finance Agency operating
23 under the acronym of PHFA.

24 They would provide grants not to
25 exceed \$5,000 for volunteer firefighters and

1 affiliated emergency service personnel that vow to
2 purchase and reside in the home for a minimum of
3 five years. Any volunteer firefighter or EMS
4 personnel who moves or resigns from his or her
5 position within the first five years of receiving
6 a grant would be required to repay that grant back
7 to PHFA.

8 while there are currently no programs
9 at the state level to provide the type of
10 homeownership assistance that House Bill 2725 is
11 proposing, there is a national program known as
12 Community Solutions that establishes an affordable
13 mortgage product for full-time firefighters,
14 police officers and teachers to become homeowners.

15 Community Solutions offers a sweep of
16 flexible mortgage options for low and moderate
17 income borrowers and is available through Fannie
18 Mae approved lenders. While I commend the efforts
19 of Fannie Mae to establish this program, I feel it
20 falls short in that it excludes volunteer
21 firefighters and affiliated emergency personnel
22 from participation.

23 Mr. Chairman, distinguished members,
24 buying a house for many people may be their most
25 significant lifetime investment decision. It is

1 the foundation upon which many individuals build
2 their future and upon which the stability and
3 vitality of many communities depends. Assisting
4 volunteer firefighters and affiliated emergency
5 service personnel with purchasing a home in the
6 community they serve is a viable approach to
7 addressing declining volunteerism in the
8 Commonwealth while increasing homeownership for
9 low and middle income families across this
10 Commonwealth.

11 To date, similar legislation has been
12 introduced in three other states: Connecticut,
13 Colorado and New Jersey. Pennsylvania should
14 pioneer this initiative to reaffirm our commitment
15 to our volunteer emergency service personnel and
16 to serve as the model for the rest of the nation
17 to follow.

18 Again, Mr. Chairman, I thank you for
19 permitting me to appear before you today. I look
20 forward to hearing from my fellow testifiers. Mr.
21 and Mrs. Webb are here. They first brought it to
22 my attention. They are constituents of mine in an
23 adjoining township. I certainly appreciate this
24 idea. From our local citizens come the
25 suggestions for this legislation. I would hope

1 that the Committee would see fit to release this
2 bill so that the overdue proposal can be voted on
3 by the House. Thank you, Mr. Chairman.

4 CHAIRMAN HASAY: Thank you, Secretary
5 Bunt. This is certainly a different approach.
6 I'm going to be anxious to hear what the
7 Pennsylvania Housing Finance Agency has to say.
8 We have Executive Director Brian A. Hudson, Sr.,
9 here and his assistant.

10 If you want to join us at the table,
11 you can go right ahead, please. We would like to
12 take as much input as we can on this different
13 approach to helping our volunteers and hear what
14 the housing agency has to say in this regard.
15 Then we will go from there. Mr. Hudson?

16 MR. HUDSON: Thank you, Mr. Chairman
17 and members of the Committee. Good afternoon. I
18 certainly welcome the invitation to provide
19 comments on House Bill 2725. I am the Executive
20 Director of the Pennsylvania Housing Finance
21 Agency. Here with me today is my Director of
22 Human Affairs, Bill Fogarty.

23 The Pennsylvania Housing Finance
24 Agency is the Commonwealth's leading provider of
25 capital for affordable housing. Although the

1 meeting today is focused on House Bill 2725, I
2 would like to provide a brief overview of PHFA and
3 what our activities cover. Our core mission
4 remains the same and unchanged since it was
5 created by the Legislature in 1972, to finance
6 affordable homes and apartments at minimal expense
7 to Commonwealth taxpayers.

8 The agency's activities can be broken
9 down into three general areas: homeownership
10 rental housing and emergency mortgage assistance.
11 Homeownership, which is our flagship program, was
12 started in 1982. It provides mortgage money for
13 first-time home buyers. PHFA so far has provided
14 \$6 billion in mortgage funds to help over 100,000
15 Pennsylvanians attain their dream.

16 Our single-family securities are rated
17 double A by Moody's and Standard and Poors which
18 are the rating services that basically cover
19 credit markets and bond issuance of taxable and
20 taxable securities. Our second most popular
21 program is rental housing. PHFA works for both
22 for-profit and not-for-profit developers to make
23 affordable apartments available for the elderly,
24 low-income families and persons with disabilities.

25 The driving force behind our rental

1 house production is the low-income housing tax
2 credit program. Tax credits allow housing
3 sponsors to raise private capital to lower the
4 cost of development. The agency administers the
5 federal initiative in the Commonwealth.

6 To date, the agency has financed the
7 construction and rehabilitation of 65,000
8 affordable rental units in the Commonwealth. Of
9 this amount, more than 36,000 apartments have been
10 targeted to Pennsylvanians 55 years of age or
11 older. Another 5,000 apartments have been
12 targeted to citizens with special needs.

13 The third program that PHFA operates
14 is the Homeowners' Emergency Mortgage Assistance
15 Program created in 1983 to provide foreclosure
16 assistance to those homeowners that are threatened
17 with foreclosure through no fault of their own.
18 It was originally created as a result of the
19 downturn of the steel industry and PHFA lent over
20 \$338 million and saved over 33,000 homes from
21 foreclosure.

22 I would like to touch briefly on House
23 Bill 2725 as it relates to PHFA's operation. My
24 understanding is that it requires the agency to
25 develop, in cooperation with participating

1 municipalities, the firefighter mortgage
2 assistance program to encourage volunteer
3 firefighters to live in a residential property in
4 the municipality they serve. The legislation
5 further directs the agency to borrow up to \$10
6 million and to allow, I believe, \$5,000 grants to
7 be made available.

8 The assumption is based on language in
9 the bill that directs that grants be forgiven at
10 the rate of \$1,000 per year and that the grants
11 would be totally forgiven over a five-year period.
12 With that being the case, I am further assuming
13 that the agency would be making mortgage loans
14 along with grants of \$5,000 to help firefighters
15 become homeowners.

16 In that regard, I would like to make
17 several comments and then answer any questions you
18 may have. The agency is able to make mortgage
19 loans at below market rates because of the PHFA
20 investor credit rating reputation, in other words,
21 those bonds that are rated by S&P and Moody's in
22 the market. Agency bonds are tax-exempt because
23 the recipients of the benefit have to meet certain
24 requirements, first-time home buyer, purchase
25 price limits that are set county by county

1 throughout the state. Firefighters will have to
2 meet these standards to be able to take advantage
3 of those lower rates.

4 We earn our money each year from
5 activities. The majority of PHFA's funds are
6 applied back into those previous three programs
7 that I just mentioned. House Bill 2725 appears to
8 direct the agency to give qualifying applicants
9 \$5,000 without providing for a source of paying
10 the debt service on the bonds. Looking at the
11 numbers, a \$10 million bond would require an
12 annual debt service repayment of approximately
13 660,000. So there is no source to repay those
14 bondholders if the grants are actually given.
15 That is a concern to PHFA.

16 We have the authority to create
17 specific programs to target it. So I would like
18 to also suggest, if I could, some alternatives
19 that could be developed. I certainly applaud the
20 legislation to help the firefighters and we are
21 interested at PHFA in providing assistance to the
22 firefighters. However, to provide 10 million,
23 there needs to be a source of, as I mentioned,
24 about 660,000 to provide for repayment of that 10
25 million. Our ability to raise these funds in the

1 credit market will be closely scrutinized if we
2 were to sell bonds with no source of refunding or
3 paying the bonds off, in that case, by the credit
4 markets. And that is a concern to PHFA. An
5 alternative would be to develop coordinated
6 programs with local communities.

7 PHFA, for instance, could provide a
8 first mortgage fund which then could be combined
9 with, for instance, Housing Trust Act 137 funds to
10 provide the grant source. Some of our mortgage
11 rates are very attractive throughout the
12 Commonwealth. For a first-time homebuyer, those
13 rates would range anywhere from 4.5 percent and
14 5.625 percent which is very attractive in 30 year
15 fixed rate mortgages in today's market.

16 In utilizing the Housing Trust Act 137
17 funds from the municipality, I think we can offer
18 this type of assistance that is certainly
19 requested to the firefighters. In addition to
20 that, PHFA could also bring to the table homebuyer
21 counseling and that would be prepurchase credit,
22 post-purchase, any type of emergency counseling
23 that would be needed on behalf of the
24 firefighters. We currently have a network of
25 about seven counseling agencies throughout the

1 state to provide this type of assistance.

2 We certainly would be happy to work
3 with the General Assembly to develop a grant
4 program that meets the needs of the firefighters
5 with the realization that a source of funding for
6 the grant must be found to make the program work
7 to its full potential. That is the only concern
8 that PHFA would have with regard to legislation
9 and I would suggest some of those alternatives.

10 We would be happy to answer any
11 questions you have regarding PHFA's testimony.
12 Thank you.

13 CHAIRMAN HASAY: Thank you, Director.
14 Your concern with the bonds was --

15 MR. HUDSON: Repayment of the bonds.
16 If there's a grant, in other words, if there is no
17 source of money to repay the bond, where would
18 that funding source come to repay the bondholders?
19 We would need some sort of appropriation to repay
20 the 10 million that would follow from the capital
21 bond.

22 CHAIRMAN HASAY: Couldn't we just
23 gradually pay them off in the general
24 appropriation budget part of it?

25 MR. HUDSON: That was not part of the

1 legislation as we read it. It could be done that
2 way, yes.

3 CHAIRMAN HASAY: How is it done now?

4 MR. HUDSON: We sell bonds and we
5 basically put a mortgage on that property. The
6 homeowner repays us the money. We take that
7 repayment to pay the bondholder. In this
8 particular case, we are saying we have \$10 million
9 which would be in a grant. They are not required
10 to repay it. So we are missing that stream.

11 CHAIRMAN HASAY: I see your point
12 there. The Commerce Committee oversees housing
13 and banking. We've had a good share of mortgage
14 foreclosures in the private sector.

15 MR. HUDSON: That's correct.

16 CHAIRMAN HASAY: There were
17 interesting reasons why. We had 6,100
18 foreclosures in Monroe County alone and a great
19 deal in Philadelphia as well. The Committee may
20 go in that direction to research some of that area
21 for why we have so many. But I understand your
22 agency is in good shape as far as that goes.

23 MR. HUDSON: Yes.

24 CHAIRMAN HASAY: I think you screen
25 your clients well and you do a good job.

1 MR. HUDSON: We are actually trying to
2 help out Monroe County now. I was working with
3 the Secretary of Banking, Secretary Schenck, for
4 Monroe County. We developed this homebuyer
5 counseling network as a result of what occurred in
6 Monroe County. We are actually offering some
7 credit counseling to those homeowners in Monroe
8 County. Those that do qualify for the HEMAP
9 program, we are processing through HEMAP.

10 CHAIRMAN HASAY: Thank you very much.
11 Do members have any questions? Representative
12 Millard?

13 REPRESENTATIVE MILLARD: I just have
14 one question. Thank you, Mr. Chairman. Number 4
15 in your commentary here says that PHFA already has
16 the authority to create a specific program to
17 serve first responders and has provided mortgage
18 loans to firefighters, police officers, etc. Now,
19 we're talking with this legislation a grant.
20 You're talking a loan.

21 MR. HUDSON: Right.

22 REPRESENTATIVE MILLARD: How did you
23 target these individuals? I didn't see any of
24 that in here, where this legislation would target
25 these individuals.

1 MR. HUDSON: For instance, we are
2 embarking on an assisted housing program. We are
3 basically encouraging any employers that want to
4 offer homeownership to their employees, if they
5 are willing to put some money on the table, we
6 will offer them our low mortgage rates. And
7 that's through an extensive marketing campaign
8 working with the employer community to say we have
9 money available.

10 Now, those homeowners still have to
11 meet our requirements, sure. But our requirements
12 are, let's say, not as strict as Fannie Mae would
13 be. Their income and purchase price limits are
14 just as liberal as Fannie Mae. I think their
15 interest rates are not market rates. We are
16 talking below market rates. Those rates range
17 from, as I mentioned, four and a half to five and
18 five-eighths percent.

19 REPRESENTATIVE MILLARD: Thank you,
20 Mr. Chairman.

21 CHAIRMAN HASAY: Representative Good.

22 REPRESENTATIVE GOOD: Thank you, Mr.
23 Chairman. I have one question. Would this
24 assistance or this benefit under this legislation
25 simply be for those who apply through PHFA or

1 would it be offered as well to other mortgage
2 sources such as wells Fargo, PNC Financial? Is it
3 simply a benefit for PHFA applicants?

4 MR. HUDSON: Well, our program is
5 net-wide, statewide. Wells Fargo and those
6 lenders are in our program. So we could
7 administer it on a statewide basis to any lender
8 that wants to participate. From an administrative
9 standpoint, I think you want to have that sort of
10 control but have it open to all lenders.

11 REPRESENTATIVE GOOD: The other
12 question I had on the legislation is about
13 residential requirements because I have many
14 people who volunteer and I have all volunteer fire
15 departments who live within a municipality that's
16 a paid fire department.

17 Under the legislation, would it be a
18 residential requirement they live in a
19 municipality that is volunteer? Does anybody know
20 how that would be determined? For those who might
21 live within the jurisdiction of a municipality
22 that's a paid fire department but cross borders
23 and volunteer, would they have to live within that
24 municipality that is volunteer or could they do
25 that?

1 MR. HUDSON: I am not sure. We hadn't
2 really discussed that. My suggestion would be
3 where you work. I mean, if you happen to work as
4 a volunteer, then you would qualify to get that
5 assistance regardless of where you live.

6 REPRESENTATIVE GOOD: Thank you.

7 CHAIRMAN HASAY: The \$10 million that
8 it would take to fund this, we have been giving
9 the volunteer firefighters and ambulance people a
10 \$25 million allotment now for the last couple of
11 years and \$10 million out of that could go back
12 into the bonds. I mean, that's an avenue the
13 General Assembly can do as well.

14 MR. HUDSON: If I may, if we sold the
15 bonds for 10 million, then you would only need
16 that annual stream to guarantee the bond if that
17 service was at about six hundred and some thousand
18 a year.

19 CHAIRMAN HASAY: Representative
20 Scavello?

21 REPRESENTATIVE SCAVELLO: Thank you,
22 Mr. Chairman, and thank you, Director. I'm from
23 Monroe County and I know the work you are doing
24 there. I thank you for that. The problem in
25 Monroe, a lot of it has to do with taxes, property

1 taxes. A lot of it has to do with people buying a
2 home and really not qualifying.

3 When they made that decision to
4 purchase that home, they lived in New York and
5 they moved up. And I was one of them. I did the
6 same thing. They did not incorporate into those
7 numbers the cost of the commute which is between
8 8,000 to 10,000 a year. And when you now start
9 seeing your property taxes and expenses on homes
10 and you have never owned a home before so you
11 didn't know about association dues and you didn't
12 know about heating and you didn't know about
13 expenses that might occur, you start getting those
14 bills and then suddenly you hit a brick wall.

15 Unfortunately, when you make a
16 decision then to say, well, I can't afford it and
17 I have to go back and there is no way I'm going to
18 be able to make this, you find out that because of
19 the overabundance of homes on the market, that
20 your house isn't worth what you paid.

21 We had at one time over 5,000 homes.
22 I think that market has started to change now and
23 property values have increased significantly in
24 the last couple of years. There are some
25 developments that still aren't. As a matter of

1 fact, I'm going to be with the banking group at
2 Penn State this coming Saturday. I set that
3 meeting up. I think it's important to get into
4 those developments because I think that's where
5 most of the problems have occurred. So I thank
6 you for that.

7 In regard to this bill, first-time
8 homebuyers -- Act 137, I was a member of the
9 board. It's for first-time homebuyers. If we now
10 expand it to include firefighters, if this is one
11 of your recommendations, they would have -- it's
12 based pretty much on income. So some of them
13 might not qualify. You would have to change that
14 program to make it work.

15 MR. HUDSON: That's correct.

16 REPRESENTATIVE SCAVELLO: By the way,
17 in Monroe also, I have every one of your
18 pamphlets. I have about 40 pamphlet racks in my
19 district. You have pamphlets that are available
20 in supermarkets and municipal buildings and
21 libraries because you have some great programs out
22 there to let people know what's available. So I
23 just want you to know that you have got more free
24 press in Monroe than anywhere else.

25 That Act 137 is a question. And how

1 are we going to fund that? In some areas, it does
2 well. In Monroe, they don't really take advantage
3 of the first-time homebuyers program. We have
4 about 400,000, 500,000 there now and we might get
5 one or two or three. We have been helping senior
6 citizens and build senior citizen housing more so.
7 But we need to tweak those numbers to have more
8 people qualify.

9 MR. HUDSON: That's exactly correct.
10 I thought that out as a suggestion, another
11 alternative possible.

12 REPRESENTATIVE SCAVELLO: Thank you
13 very much.

14 CHAIRMAN HASAY: Representative Baker?

15 REPRESENTATIVE BAKER: Thank you, Mr.
16 Chairman. I would like to commend Representative
17 Bunt for a great idea through his constituents.
18 Certainly, the volunteer firefighters and EMS are
19 worthy and deserving of some assistance. I do
20 have a couple of questions, one just for
21 clarification purposes on the criteria. The
22 purpose of this grant, I assume, is primarily for
23 first-time homebuyers?

24 REPRESENTATIVE BUNT: In my remarks, I
25 indicated low to moderate income. Generally,

1 those that normally would not try to buy or people
2 who have a difficult time, primarily first-time
3 homebuyers having a tough time with the down
4 payment, this could be structured in many, many
5 different ways.

6 We are putting a proposal out there
7 and through the indulgence of this Committee,
8 maybe we can make it work, which is what we do
9 with everything else. It starts out with a good
10 idea. There are quite a few programs that are out
11 there that are similar in nature for teachers and
12 police officers and just a few tweaks I think are
13 necessary here. That is the purpose of the
14 Committee meeting and people to testify.

15 REPRESENTATIVE BAKER: Thank you. I
16 attend about 20, 25 to 30 fire banquets a year. I
17 anticipate some of our volunteer firefighters
18 asking me, well, does this apply to first-time
19 homeowners, second mortgages, refinancing? Is
20 this an entitlement? Is there a litmus test
21 criteria? There's just a lot of questions that I
22 don't seem to have any answer today on but perhaps
23 we can work on some of that.

24 My question is to our presenter, Mr.
25 Hudson. In your comment, you said that if the

1 borrowing of \$10 million transpired, it could have
2 an adverse impact on your credit markets and how
3 they view this and a resulting drop in the credit
4 rating would result in the cost of borrowing to
5 rise. Would that be a significant -- you seem to
6 be rather unequivocal about that. Is that a
7 significant rise you anticipate?

8 MR. HUDSON: It could be and the
9 reason being is that if you sell bonds and you
10 have no source of repayment, that is viewed by
11 both Moody's and S&P as a negative. The first
12 question they ask is, how are you going to repay
13 this money? We are in the credit market four or
14 five, six times a year and it's hard to measure
15 that impact. It could be significant on a
16 long-term basis.

17 REPRESENTATIVE BAKER: You had also
18 indicated that would impact all of your
19 activities, all of your programs adversely?

20 MR. HUDSON: Primarily because we
21 borrow through those markets. So it could have a
22 trickle-down effect.

23 REPRESENTATIVE BUNT: In all fairness,
24 in your booklet, you have something we did here on
25 the on-lot septic systems that primarily existed

1 in most of our areas that come from rural areas
2 and suburban areas of the Commonwealth. You do
3 provide \$25,000 and very low interest rates. The
4 General Assembly has done something to assist you
5 in the amortization of those bonds to make those
6 dollars available.

7 All we're doing is saying the same
8 thing here. We have a program like your low
9 interest loan program and this will be a grant.
10 And that's simply because the cost of replacing
11 these volunteers as municipal employees is cost
12 prohibitive for the Commonwealth and the local
13 municipalities.

14 MR. HUDSON: Right.

15 REPRESENTATIVE BUNT: So there is
16 going to have to be a cost somewhere and probably
17 not at your end but at our end to assist you in
18 the amortization of those \$10 million.

19 MR. HUDSON: Exactly.

20 REPRESENTATIVE BUNT: So any
21 suggestions that you may have to assist the
22 members to get to that point would be very
23 appreciated.

24 MR. HUDSON: Exactly. And that's why
25 if there's a stream of that 25 million, you would

1 need but an annual appropriation from that stream,
2 which is \$600,000, to pay that 10 million. That's
3 exactly right. If there is a stream to pay for
4 it, there is no negative impact. If there is no
5 stream, there is a negative impact.

6 REPRESENTATIVE BUNT: So the
7 amortization of 660,000 to the 10 million in
8 bonds?

9 MR. HUDSON: Over a 30 year period.

10 REPRESENTATIVE BUNT: How much of the
11 dollars do we have available in the PennVest on
12 the on-lot sewage system?

13 MR. HUDSON: We receive those monies
14 directly from PennVest. That's not a borrowing of
15 ours. We're the administrator for PennVest. We
16 have the infrastructure in place to make those
17 loans. So what we did was reach out to the
18 lenders in those rural areas and use PennVest
19 money to make the loans.

20 REPRESENTATIVE BUNT: The General
21 Assembly makes those dollars available to
22 PennVest?

23 MR. HUDSON: That's correct.

24 REPRESENTATIVE BUNT: They give those
25 dollars to you which you loan at low interest

1 rates?

2 MR. HUDSON: That's correct.

3 REPRESENTATIVE BUNT: So somewhere
4 down the road through this whole system, the
5 General Assembly or the agency is going to pay for
6 the amortization to start up this --

7 MR. HUDSON: That's exactly right.
8 That would work.

9 REPRESENTATIVE BAKER: Would the
10 first-time issuance of grants through your agency
11 compromise in any way your federal income tax
12 exemption status on a payment?

13 MR. HUDSON: No, not at all. That
14 wouldn't be a problem. It's just, again, how it's
15 structured.

16 REPRESENTATIVE BAKER: My last
17 question is -- I am very intrigued by your
18 alternative suggestion. Could you just elaborate
19 on that a bit? Under No. 5, you say that you
20 could provide an alternative program that would
21 not be as problematic costwise for your agency.
22 Would you explain how that would work and walk us
23 through that a little bit better?

24 MR. HUDSON: Let me say first that
25 having heard that there is a possible funding

1 source, I would like to pursue that also.
2 Realizing that prior to my testimony I was looking
3 for alternatives that would work also and now
4 you're looking at the Act 137 Trust Fund, I know
5 that many counties have funds sitting there which
6 we certainly would be willing to part with.

7 If the PHFA could develop the
8 underwriting criteria, whether it's first-time or
9 second-time or third-time homeowner, we could buy
10 the administration, because we have a network
11 there, and work with those counties because there
12 are some funds that are available. Each county is
13 different but that's certainly something that we
14 would be willing to explore and coordinate.

15 REPRESENTATIVE BAKER: My concern with
16 that idea -- and I believe I have at least one, if
17 not two, of those counties -- is that there are
18 many counties that do not participate in that and
19 do not have those funds. So what would happen to
20 our volunteers that would like such a grant but
21 does not have that pool of resources available to
22 them through their respective counties?

23 MR. HUDSON: If those counties were
24 identified, then we would use another source of
25 funding to cover those counties. But that also

1 would stretch the Commonwealth's resources. So
2 those counties that did not have an Act 137 fund,
3 then maybe that funding stream could be used to
4 serve those counties thereby leveraging our
5 dollars further, if that was a suggestion. Again,
6 that's just a suggestion.

7 REPRESENTATIVE BAKER: Thank you very
8 much, Mr. Hudson.

9 CHAIRMAN HASAY: Mr. Hudson, I have a
10 borough that has malfunctioning septic systems and
11 they are talking about putting public sewers in.
12 Would those individual people qualify for this
13 on-lot sewage loan?

14 MR. HUDSON: For the PennVest program,
15 I would have to take a look at that. The initial
16 intent was to help the -- that's a rural area?

17 CHAIRMAN HASAY: Yes.

18 MR. HUDSON: To repair our damaged
19 septic systems.

20 CHAIRMAN HASAY: But not for a new
21 system to hook up onto it?

22 MR. HUDSON: We would have to take a
23 look at that. I'm not sure whether that
24 qualifies. If PennVest didn't have a problem, we
25 would certainly administer it that way.

1 CHAIRMAN HASAY: Thank you.
2 Representative Boyd?

3 REPRESENTATIVE BOYD: Thank you, Mr.
4 Chairman. The discussion on the repayment of
5 bonds triggered a thought as I was reading through
6 the bill. Actually, the bill refers to, it seems
7 to me, two different possibilities. One is on
8 page 3, line 17, the agency shall provide low
9 interest loans. Then further down it talks about
10 grants up to 5,000 which I assume would be for
11 closing costs.

12 If I understand the way this is
13 drafted correctly -- and this may be intended for
14 Representative Bunt also -- there will be some
15 residual payback from the loans if a firefighter
16 borrows money to pay off his mortgage but he also
17 qualifies for the \$5,000 grant to meet closing
18 costs. So it's not that the entire 10 million
19 will not have some residual payback. Am I clear
20 there?

21 REPRESENTATIVE BUNT: I don't know the
22 different interest rates that PHFA charges and I
23 don't know if they have them structured as to
24 income thresholds. You probably do.

25 MR. HUDSON: Yes, we do.

1 REPRESENTATIVE BUNT: I don't know
2 what those different categories are of interest
3 rates that suffice to amortize what those bonds
4 are going to cost. That's why it's imperative
5 that PHFA work with the General Assembly in trying
6 to develop such a program to renunciate what we
7 will pay.

8 REPRESENTATIVE BOYD: Do you conceive
9 a firefighter who may qualify for the grant to be
10 closing costs but not necessarily borrow through
11 this program?

12 REPRESENTATIVE BUNT: I think whatever
13 assistance PHFA could provide to a first homebuyer
14 and/or a young person -- people like you and I
15 don't become volunteer firemen tomorrow. But
16 there was a point in my early 20s when I did it.
17 They were perhaps maybe the worst economic times
18 of my married life too. Where I didn't work a
19 part-time job and could have saved extra money, I
20 was volunteering with the fire company and
21 ambulance.

22 It's at that point where people need a
23 helping hand, if you will, because it's the most
24 crucial time, especially now, because it's not
25 1975. This is today. We're down 70,000

1 volunteers as of 2000. Those who are in the fire
2 and emergency medical services field today will
3 tell you the recruitment is terrible, and
4 retention.

5 REPRESENTATIVE BOYD: I just want to
6 emphasize that it's not all 10 million in grant.
7 There would be the fact that there would be money
8 coming back into the system.

9 REPRESENTATIVE BUNT: I appreciate
10 that.

11 MR. HUDSON: We were assuming that
12 that was to make \$2,000, \$5,000 grants. If that's
13 not the case -- that's what we were assuming.

14 CHAIRMAN HASAY: Representative
15 Nailor?

16 REPRESENTATIVE NAILOR: Thank you, Mr.
17 Chairman. I couldn't let Mr. Hudson get away
18 without asking a few questions here. First, we
19 all owe Representative Bunt a thank you for this
20 bill. I think on both sides of the aisle we
21 recognize there is a real need to address the
22 issue of encouraging participation in local
23 volunteer firefighters. We know what we are
24 facing with the loss of the volunteers over the
25 years and so many are going up in age and not

1 getting young folks involved as we did.

2 We had other ideas. I know we dealt
3 with higher education assistance for our volunteer
4 firefighters. I think this is definitely in line
5 with what we need to do. Is it the perfect bill?
6 Well, probably not. I'm sure Representative Bunt
7 probably realizes that but he's getting the ball
8 rolling in an area that certainly needs our
9 attention. You talked about \$650,000 over here.
10 That's the earnings on the 10 million that would
11 be available on an annual basis?

12 MR. HUDSON: No, that would be the
13 repayment requirement based on selling a \$10
14 million bond at 5 percent or a little over 5
15 percent in today's capital market. In other
16 words, we would sell a 30 year bond for 10 million
17 and to repay that bond over that period of time
18 with interest and principal would be 600,000.

19 REPRESENTATIVE NAILOR: And we would
20 have a principal consistently until it's gone?

21 MR. HUDSON: That's right.

22 REPRESENTATIVE NAILOR: Once it's
23 gone, it's gone?

24 MR. HUDSON: Right. If all of the 10
25 million is not a grant and part of that 10 would

1 be a loan, then you have some repayments coming
2 back that could be re-lent.

3 REPRESENTATIVE NAILOR: Representative
4 Boyd made a good point there.

5 MR. HUDSON: Right. We need to
6 separate how much of the 10 million would be a
7 loan and how much of the 10 million would be a
8 grant, for instance, towards the 5,000.

9 REPRESENTATIVE NAILOR: The assistance
10 of the closing costs that were mentioned by
11 Representative Boyd discussed to sponsor the bill,
12 I think that's a good idea. It certainly could be
13 of assistance, first-time assistance to a
14 firefighter. Along with some of the other
15 benefits that we're trying to consider, it could
16 be a real positive effect.

17 MR. HUDSON: Exactly. For instance,
18 we assumed that the entire 10 million was grants.
19 So if we're doing 5,000 loans, if we could do
20 2,000, 5,000 loans, we could actually piggyback
21 that with PHFA's low rate interest and if they met
22 certain income requirements, they could still
23 qualify for another \$2,000 from PHFA. We would
24 look at coordinating all of our programs with the
25 legislation. We just need to clarify what's the

1 repayment stream on the 10 million. Is all of it
2 loans or grants and what type of repayments are
3 going to be dedicated to repay those bonds?
4 That's really the issue. We certainly support the
5 bill.

6 REPRESENTATIVE NAILOR: I was looking
7 at, since it was mentioned earlier, some of the
8 remarks in No. 4, that you have already provided
9 mortgage loans to firefighters, police officers
10 and nurses and so forth. There's a little
11 definition that probably should be added to the
12 bill as well.

13 When we dealt with some of the other
14 benefits, we faced the distinction as to what
15 would qualify to be a volunteer firefighter other
16 than paying annual dues. They had to make so many
17 calls, number of calls, percentages. They had to
18 attend so much training that was being offered so
19 they stay up to date.

20 Any one of us could be willing to sign
21 up. They are so happy to hear this. They sign up
22 and then would be available for a grant or a low
23 interest loan. I think the definition of truly
24 those active, if you will, volunteer firefighters
25 probably should also be included in the bill.

1 Have you faced that before when you have given --

2 MR. HUDSON: With different programs,
3 yes. We found out you have to be very careful
4 about how you structure that. So that would be
5 one of our suggestions, to work with you to make
6 sure that we have covered the right group and the
7 criteria is in place.

8 Because you're right. Someone could
9 walk in and sign up and say, look, I will
10 volunteer for the day and I should qualify for the
11 loan. And that's not who we are intending to help
12 here. We would work to make sure that that was
13 pinned down. We have seen that in a number of
14 programs.

15 REPRESENTATIVE NAILOR: Your staff or
16 those banks or whatever that would work with you
17 would make that determination?

18 MR. HUDSON: Well, we would give them
19 the criteria guidelines of what to lend. We
20 wouldn't allow it up to the lenders themselves.
21 We would say, okay, once we have all agreed,
22 certainly with the legislature, that this is the
23 group that we want to help, then PHFA would come
24 back to you with some criteria for you to accept.
25 If we want to broaden that, then we would present

1 that to our lenders and say, here are the
2 individuals that we want to qualify for those
3 loans and that's the way that we would recommend,
4 to avoid that.

5 REPRESENTATIVE NAILOR: Thank you, Mr.
6 Chairman.

7 CHAIRMAN HASAY: Thank you very much,
8 Mr. Hudson and Mr. Fogarty. We appreciate your
9 coming here today and testifying and giving us
10 your opinion on that. I'm sure the General
11 Assembly probably would add to that 25 million, if
12 need be, to ensure on the bond issue. I think
13 you're going to become a very, very busy agency.
14 There are a lot of new issues popping up out
15 there, especially in Monroe County and
16 Philadelphia. Thanks again for coming.

17 MR. HUDSON: Thank you. We are
18 certainly interested in working with you. It's a
19 great initiative.

20 CHAIRMAN HASAY: Thank you. Next we
21 have Gar Webb of Moorland Financial Services.
22 Thanks for coming today. We appreciate your
23 attendance. You may start at your convenience.

24 MR. WEBB: Thank you, Mr. Chairman and
25 members of the Committee. Good afternoon. My

1 name is Gar Webb. I am a licensed mortgage broker
2 in the Commonwealth of Pennsylvania. I am a
3 member of the Pennsylvania Association of Mortgage
4 Brokers known as PAMD and I am also a member of
5 the National Association of Mortgage Brokers known
6 as NAMB. As a mortgage broker and a small
7 business owner in the local community, I work with
8 new and current homeowners every day. I am able
9 to offer them a wide variety of mortgage products
10 to best fit their mortgage needs.

11 The Commonwealth of Pennsylvania has a
12 very large community of volunteer firefighters,
13 fire police and EMTs who loyally serve our
14 communities at all hours of the day and night.
15 They are unselfish in giving their time, their
16 energies, their monies and their hearts in keeping
17 our communities safe. They use their vacation
18 time to train. They use their days off to serve
19 the communities that need their help. They are
20 there when tragedy strikes.

21 Many months ago we were approached
22 with a question about monies that were available
23 to the volunteer firefighter community. Talking
24 with various volunteer fire companies, we had
25 become aware of the difficulties for these.

1 volunteers who wished to be homeowners. Of the
2 current programs available, none are targeted to
3 help the volunteer firefighter community for the
4 purchase of their new homes.

5 The biggest issue confronting buyers
6 is the cost to obtain a home. In Pennsylvania,
7 these costs typically average 7 to 10 percent of
8 the total sale price before any down payment
9 monies are added. The closing costs for owning a
10 home have become a major obstacle. We saw their
11 point of view. Thus, the idea for this grant was
12 introduced.

13 We would like to help the volunteer
14 firefighter community with a homebuying grant.
15 This grant would have the volunteer firefighter,
16 fire police or EMTs working with the fire company
17 for one year before becoming eligible for the
18 grant. The grant program is based on other
19 successful programs currently being used in other
20 areas.

21 Upon meeting certain criteria, a
22 qualified individual or family would receive the
23 allocated grant money. The grant would stay in
24 place for five years after the purchase of the
25 home. With each year of service, there would be

1 \$1,000 credited towards the grant with the fifth
2 year of the grant being forgiven. If at any time
3 in that five-year period the home is sold, vacated
4 or used as investment or income-producing
5 property, the grant would be payable in full.

6 This grant is a step to help
7 communities retain their trained firefighters,
8 fire police and EMTs. We understand the many
9 difficulties faced by the volunteer firefighting
10 community and wish to help them in part with
11 homeownership. House Bill 2725 is a step in the
12 right direction. Thank you.

13 CHAIRMAN HASAY: Thank you, Mr. Webb.
14 Any questions of Mr. Webb? Representative
15 Wansacz?

16 REPRESENTATIVE WANSACZ: Just a
17 comment, Mr. Chairman. I would just like to say
18 that is a very good suggestion. I, just like
19 Representative Nailor, had a concern with the
20 active volunteer firefighters, saying you should
21 be working for at least one year first. That was
22 my concern. I wanted to appreciate that
23 suggestion.

24 MR. WEBB: Sure. Thank you. They
25 have to have some type of investment in order to

1 be eligible for this. No question.

2 CHAIRMAN HASAY: How is your rating
3 with foreclosures this year?

4 MR. WEBB: Our rating is excellent.
5 We have none.

6 CHAIRMAN HASAY: Good. Glad to hear
7 that. Thank you, Mr. Webb. Representative
8 Scavello?

9 REPRESENTATIVE SCAVELLO: The Act 137
10 is the same way, by the way. It's 5 years and 20
11 percent a year and then total forgiveness if you
12 live in the house.

13 CHAIRMAN HASAY: Thank you, Mr. Webb.
14 Lynn Kitson I don't believe is here. We had to
15 cancel that. We have Kevin White, President of
16 the America's Home Mortgage Corporation. Thank
17 you, Mr. White, for coming here today and giving
18 us your comments on House Bill 2725. Thank you.
19 You can go right ahead.

20 MR. WHITE: Thank you, Mr. Chairman
21 and members of the Committee. Good afternoon,
22 ladies and gentlemen. My name is Kevin white. I
23 am a mortgage broker and owner of America's Home
24 Mortgage Corporation. My wife and I have four
25 daughters ages 18, 12 and 10 years old and our

1 baby is 22 months. I have been in the mortgage
2 business for eight years and thoroughly enjoy my
3 career.

4 What I enjoy most is helping people
5 obtain the American dream, homeownership.
6 Everyone has a dream, be it you, the person
7 sitting next to you, your husband, your wife, your
8 children, your neighbor, your constituents.
9 Without goals and dreams, we have no direction, no
10 sense of purpose, no commitment to the future.

11 Daily I go to work with a goal, to
12 help as many people as possible obtain their dream
13 with the knowledge that at any moment, at any
14 moment, my team and I may be called to save
15 someone's dream. You see, I am also a volunteer
16 firefighter with Whitehall Fire Company in
17 Pittsburgh. Not only do I carry my cell phone
18 with me at all times so that I am available to my
19 mortgage business, but an alert pager is clipped
20 to my belt right next to it.

21 Cumulatively, I have been in the fire
22 service for 14 years. My fellow firefighters are
23 men and women just like you. You serve your
24 constituents, your family and your friends
25 honorably on a daily basis. A firefighter is no

1 different, but completely alike in the sense that
2 as our forefathers dreamed, we are here today to
3 serve our communities in this land we call the
4 United States. We are united today because of our
5 dreams, our goals, our love for freedom and our
6 love for this country.

7 My fellow firefighters and I are on
8 call 24 hours a day, 365 days per year, 2:00 in
9 the afternoon or 2:00 in the morning, Christmas,
10 Thanksgiving, birthdays and anniversaries of
11 friends and family, Independence Day or while
12 eating dinner with our families.

13 Each and every minute, my fellow
14 firefighters and I are listening for the call to
15 duty. We are paid for our service to our
16 community only with the satisfaction that we were
17 there to help. That is our reward. We make the
18 commitment because we want to. We have a goal, a
19 dream, a bond that keeps us going through whatever
20 emergency situation has requested our service.

21 We train so that we are constantly
22 prepared. When the call comes, we get the job
23 done. We respond not only to fires, but also for
24 floods, vehicle accidents, smells of natural gas,
25 hazardous material leaks, river rescue, stuck

1 elevators, lost children, plane crashes, fuel
2 spills, situations of national emergency and, yes,
3 even for cats stuck in trees.

4 We pride ourselves in being there when
5 you need us, whatever or whenever that may be. My
6 fellow firefighters and I are not superhuman.
7 However, many a child thinks that we are. We are
8 models for our future citizens.

9 Now whenever my baby girl hears a
10 siren, police car, ambulance or fire engine, she
11 says, bye daddy. At 22 months old, she knows that
12 that siren means that daddy may be on his way to
13 help someone in need. No, she doesn't fully
14 understand. She doesn't understand the dangers.
15 She doesn't even understand where I may be going
16 and she certainly doesn't understand that there is
17 a chance that daddy may not come home, that that
18 may be her final bye daddy until we meet again.

19 My older daughters do know. My wife
20 knows. But they also understand why I respond to
21 the call. They know that someone needs me and
22 they know that I must go. My wife and children
23 are proud of me and that is, in itself, rewarding.
24 People call us heroes. We are only doing our job.
25 But I wish you could know what I feel.

1 I want to read to you a couple of
2 things written by others. The first is entitled,
3 "I wish you could see." I wish you could know
4 what it is like to search a burning bedroom for
5 trapped children with flames rolling above your
6 head, your palms and knees burning as you crawl,
7 the floor sagging under your weight as the kitchen
8 below you burns.

9 I wish you to comprehend a wife's
10 horror at three in the morning as I check her
11 husband of 40 years for a pulse and find none. I
12 start CPR anyway hoping to bring him back knowing
13 intuitively it's too late but wanting his wife and
14 family to know everything possible was done to try
15 to save his life.

16 I wish you knew the unique smell of
17 burning insulation, the taste of soot-filled
18 mucus, the feeling of intense heat through your
19 turnout gear, the sound of flames crackling, the
20 eeriness of being able to see absolutely nothing
21 and dense smoke sensations that I've become too
22 familiar with.

23 I wish you could understand how it
24 feels to go to work in the morning after having
25 spent most of the night hot and soaking wet at a

1 multiple alarm. I wish you could read my mind as
2 I respond to a building fire. Is this a false
3 alarm or a working fire? How is the building
4 constructed? What hazards await me? Is anyone
5 trapped? Or to an EMS call, what is wrong with
6 the patient? Is it minor or life threatening? Is
7 the caller really in distress or is he waiting for
8 us with a two by four or a gun?

9 I wish you could be in the emergency
10 room as a doctor pronounces dead a beautiful
11 five-year-old girl that I have been trying to save
12 during the past 25 minutes who will never go to
13 her first date or say the words I love you mommy
14 again.

15 I wish you could know the frustration
16 I feel in the cab of the engine squad or my
17 personal vehicle, the driver with his foot
18 pressing down hard on the pedal, my arm tugging
19 again and again at the air horn chain as I fail to
20 yield the right-of-way at an intersection or in
21 traffic.

22 When you need us, however, your first
23 comment upon our arrival will be, it took you
24 forever to get here. I wish you could know my
25 thoughts as I help extricate a girl of teenage

1 years from the remains of her automobile. What if
2 this was my sister, my girlfriend or a friend?
3 What will her parents' reaction be when they open
4 the door to find a police officer with hat in
5 hand?

6 I wish you could know how it feels to
7 walk in the back door and greet my parents and
8 family, not having the heart to tell them that I
9 nearly did not come home from that last call. I
10 wish you could know how it feels dispatching
11 officers, firemen and EMTs out and when we call
12 for them, our heart drops because no one answers
13 back, or to hear a bone-chilling 911 call of a
14 child or a wife needing assistance.

15 I wish you could feel the hurt as
16 people verbally and sometimes physically abuse us
17 or belittle what we do or as they express their
18 attitudes of, it will never happen to me. I wish
19 you could realize the physical, emotional and
20 mental drain, the missed meals, lost sleep and
21 foregone social activities in addition to all the
22 tragedy my eyes have seen.

23 I wish you could know the brotherhood
24 and self-satisfaction of helping save a life or
25 preserving someone's property or being able to be

1 there in time of crisis or creating order from
2 total chaos.

3 I wish you could understand what it
4 feels like to have a little boy tugging on your
5 arm and asking, is mommy okay, not even being able
6 to look into his eyes without tears from your own
7 and not knowing what to say or to have to hold
8 back a long-time friend who watches his buddy
9 having rescue breathing done on him as they take
10 him away in the ambulance when you know all along
11 he did not have his seat belt on. It's a
12 sensation that I have become too familiar with.

13 Unless you have lived with this kind
14 of life, you will never truly understand or
15 appreciate who I am, we are and what our job
16 really means to us. I wish you could, though.

17 The second is a poem entitled "Daddy's
18 Day." Her hair up in a ponytail, her favorite
19 dress tied with a bow, today was daddy's day at
20 school and she couldn't wait to go. But her mommy
21 tried to tell her that she probably should stay
22 home, why the kids might not understand if she
23 went to school alone. But she was not afraid.
24 She knew just what to say, what to tell her
25 classmates on this daddy's day.

1 But still her mother worried for her
2 to face this day alone and that was why, once
3 again, she tried to keep her daughter home. But
4 the little girl went to school eager to tell them
5 all about a dad she never sees and a dad who never
6 calls.

7 There were daddies along the wall in
8 the back for everyone to meet, children squirming
9 impatiently and anxious in their seats. One by
10 one the teacher called a student from the class to
11 introduce their daddy as seconds slowly passed.

12 At last, the teacher called her name.
13 Every child turned to stare. Each of them were
14 searching for a man who wasn't there. Where's her
15 daddy at, she heard a boy call out. She probably
16 doesn't have one, another student dared to shout.
17 And from somewhere near the back, she heard a
18 daddy say, looks like another dead-beat dad too
19 busy to waste his day.

20 The words did not offend her as she
21 smiled at her friends and looked back at her
22 teacher who told her to begin. With her hand
23 behind her back, slowly she began to speak and out
24 from the mouth of a child came words incredibly
25 unique.

1 My daddy couldn't be here because he
2 lives so far away. But I know he wishes he could
3 be with me on this day. And though you cannot
4 meet him, I wanted you know all about my daddy and
5 how much he loves me so. He loved to tell me
6 stories. He taught me to ride a bike. He
7 surprised me with pink roses and he taught me to
8 fly a kite. We used to share fudge sundaes and
9 ice cream in a cone.

10 And though you cannot see him, I am
11 not standing here alone, because my daddy's always
12 with me even though we are apart. I know because
13 he told me he'll forever be here in my heart.
14 With that, her little hand reached up and lay
15 across her chest feeling her own heartbeat beneath
16 her favorite dress. And from somewhere in the
17 crowd of dads, her mother stood in tears proudly
18 watching her daughter who was wise beyond her
19 years.

20 For she stood up for the love of a man
21 not in her life, doing what was best for her,
22 doing what was right. And when she dropped her
23 hand back down staring straight into the crowd,
24 she finished with a voice so soft but its message
25 clear and loud.

1 I love my daddy very much. He's my
2 shinning star. And if he could, he'd be here but
3 heaven's just too far. But sometimes when I close
4 my eyes, it's like he never went away. And then
5 she closed her eyes and saw him there that day.
6 And to her mother's amazement, she witnessed with
7 surprise a room full of daddies and children all
8 starting to close their eyes.

9 Who knows what they saw before them.
10 Who knows what they felt inside. Perhaps for
11 merely a second they saw him at her side. I know
12 you're with me daddy to the silence she called
13 out. What happened next made believers of those
14 once filled with doubt. Not one in that room
15 could explain it, for each of their eyes had been
16 closed, but there placed on her desktop was a
17 beautiful pink rose. And a child was blessed, if
18 only for a moment, by the love of her shinning
19 bright star and given the gift of believing that
20 heaven is never too far.

21 This could be my daughter or it could
22 be yours. Volunteer fire departments have been
23 around for a long time. The man who established
24 the first volunteer fire department also invented
25 bifocals, wrote and printed Poor Richard's

1 Almanac, studied electricity and helped draft the
2 Declaration of Independence. His name was
3 Benjamin Franklin.

4 The first volunteer fire department
5 began in Philadelphia, right here in this state,
6 on December 7, 1736. Benjamin Franklin in his
7 essay, "Brave Men at Fires", explained the
8 unspoken creed of all firefighters when he wrote,
9 neither cold nor darkness will deter good people
10 who are able from hastening to the dreadful place
11 and giving their best assistance to quench the
12 flames.

13 In the best traditions of humanity,
14 you serve because you feel compassion for those in
15 need and you are brave enough to defy dangerous
16 consequences to help them. Other famous Americans
17 who served as firefighters include George
18 Washington, Thomas Jefferson, Samuel Adams, John
19 Hancock, Paul Revere, Alexander Hamilton, John
20 Jay, John Barry, Aaron Burr, Benedict Arnold,
21 James Buchanan and Millard Fillmore. Women also
22 served in this noble tradition. Some of the most
23 prominent women firefighters include Molly
24 Williams, Marina Betts and Lillie Hitchcock.

25 Less famous Americans include my Uncle

1 Wayne, a retired captain of the Griffin Fire
2 Department in Georgia, who would take me to the
3 station as a child. Overall, I have 36
4 firefighters in my extended family, paid and
5 volunteer. Some say it's in our blood. I say
6 it's in our heart.

7 Ladies and gentlemen, these people I
8 call my brothers and sisters are tireless in
9 serving their community but they are few and far
10 between. House Bill 2725 will not only help to
11 reward them for their service, but will also help
12 those within the current ranks to recruit new
13 volunteers to protect our future. Thank you.

14 CHAIRMAN HASAY: Thank you, Mr. White.
15 Probably most of us here at the table were
16 volunteer firefighters in our younger days. I
17 certainly was involved. The last house fire we
18 fought in Shickshinny -- we have a lot of
19 sportsmen up that way. I think the scariest thing
20 were those electric wires. Once they melted from
21 that house, they were sparkling around out of
22 control.

23 It's always late at night when there's
24 a fire, at least in Shickshinny. You go in and
25 fight the fire. Up that way, we have a lot of

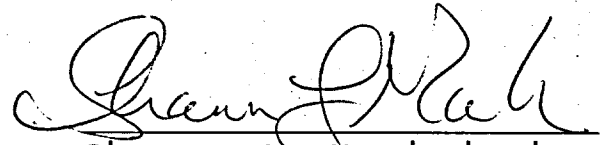
1 sportsmen. When the bullets start going off in
2 the house, you have to run around behind the other
3 side of the fire truck and you would have to wait
4 until the rest of the case went off in the house.
5 It's scary. I mean, even in Shickshinny, it's
6 scary, the same as Philadelphia. They are brave
7 and they take a lot of chances. There is a lot
8 risk.

9 We appreciate your testimony, Mr.
10 White, today on volunteer firemen and appreciate
11 the attendance of the membership here today in
12 this House Commerce Committee. This hearing is
13 now adjourned. Thank you.

14 (The hearing concluded at 2:10 p.m.)
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I hereby certify that the proceedings
and evidence are contained fully and accurately in
the notes taken by me on the within proceedings
and that this is a correct transcript of the same.


Shannon L. Manderbach
Notary Public

NOTARIAL SEAL
Shannon L. Manderbach, Notary
Enola, Cumberland County,
My Commission Expires June 6.