
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 500

Session of
1983

INTRODUCED BY IRVIS, KUKOVICH, EVANS, GEORGE, AFFLERBACH,
LINTON, WAMBACH, CARN, WOZNIAK, McHALE, FREEMAN, CALTAGIRONE,
COLE, GALLAGHER, PISTELLA, PRATT, OLIVER, HARPER, CLARK,
O'DONNELL, D. R. WRIGHT, WILSON, LETTERMAN, SWEET,
J. L. WRIGHT, LEHR, PETRARCA, WIGGINS, HALUSKA, MICHLOVIC,
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ALDERETTE, OLASZ, JAROLIN, PRESTON, BELFANTI, GAMBLE, SALOOM,
CORDISCO, GANNON, LUCYK, DELUCA, FATTAH, ITKIN, SEVENTY, VAN
HORNE, GREENWOOD, COLAFELLA, MRKONIC, DEAL AND COWELL, MARCH
16, 1983

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, DECEMBER 12, 1983

AN ACT

1 ~~Providing for emergency mortgage assistance for homeowners.~~ <—

2 ~~The General Assembly of the Commonwealth of Pennsylvania~~

3 ~~hereby enacts as follows:~~

4 ~~Section 1. Short title.~~

5 ~~This act shall be known and may be cited as the Homeowners'~~

6 ~~Emergency Mortgage Assistance Act.~~

7 ~~Section 2. Findings and purpose.~~

1 AMENDING THE ACT OF DECEMBER 3, 1959 (P.L.1688, NO.621), <—
2 ENTITLED, AS AMENDED, "AN ACT TO PROMOTE THE HEALTH, SAFETY
3 AND WELFARE OF THE PEOPLE OF THE COMMONWEALTH BY BROADENING
4 THE MARKET FOR HOUSING FOR PERSONS AND FAMILIES OF LOW AND
5 MODERATE INCOME AND ALLEVIATING SHORTAGES THEREOF, AND BY
6 ASSISTING IN THE PROVISION OF HOUSING FOR ELDERLY PERSONS
7 THROUGH THE CREATION OF THE PENNSYLVANIA HOUSING FINANCE
8 AGENCY AS A PUBLIC CORPORATION AND GOVERNMENT
9 INSTRUMENTALITY; PROVIDING FOR THE ORGANIZATION, MEMBERSHIP
10 AND ADMINISTRATION OF THE AGENCY, PRESCRIBING ITS GENERAL

1 POWERS AND DUTIES AND THE MANNER IN WHICH ITS FUNDS ARE KEPT
2 AND AUDITED, EMPOWERING THE AGENCY TO MAKE HOUSING LOANS TO
3 QUALIFIED MORTGAGORS UPON THE SECURITY OF INSURED AND
4 UNINSURED MORTGAGES, DEFINING QUALIFIED MORTGAGORS AND
5 PROVIDING FOR PRIORITIES AMONG TENANTS IN CERTAIN INSTANCES,
6 PRESCRIBING INTEREST RATES AND OTHER TERMS OF HOUSING LOANS,
7 PERMITTING THE AGENCY TO ACQUIRE REAL OR PERSONAL PROPERTY,
8 PERMITTING THE AGENCY TO MAKE AGREEMENTS WITH FINANCIAL
9 INSTITUTIONS AND FEDERAL AGENCIES, PROVIDING FOR THE PURCHASE
10 BY PERSONS OF LOW AND MODERATE INCOME OF HOUSING UNITS, AND
11 APPROVING THE SALE OF HOUSING UNITS, PERMITTING THE AGENCY TO
12 SELL HOUSING LOANS, PROVIDING FOR THE PROMULGATION OF
13 REGULATIONS AND FORMS BY THE AGENCY, PRESCRIBING PENALTIES
14 FOR FURNISHING FALSE INFORMATION, EMPOWERING THE AGENCY TO
15 BORROW MONEY UPON ITS OWN CREDIT BY THE ISSUANCE AND SALE OF
16 BONDS AND NOTES AND BY GIVING SECURITY THEREFOR, PERMITTING
17 THE REFUNDING, REDEMPTION AND PURCHASE OF SUCH OBLIGATIONS BY
18 THE AGENCY, PRESCRIBING REMEDIES OF HOLDERS OF SUCH BONDS AND
19 NOTES, EXEMPTING BONDS AND NOTES OF THE AGENCY, THE INCOME
20 THEREFROM, AND THE INCOME AND REVENUES OF THE AGENCY FROM
21 TAXATION, EXCEPT TRANSFER, DEATH AND GIFT TAXES; MAKING SUCH
22 BONDS AND NOTES LEGAL INVESTMENTS FOR CERTAIN PURPOSES; AND
23 INDICATING HOW THE ACT SHALL BECOME EFFECTIVE," PROVIDING FOR
24 HOMEOWNER'S EMERGENCY ASSISTANCE.

25 FINDINGS AND PURPOSE.

26 (A) FINDINGS.--THE GENERAL ASSEMBLY FINDS THAT:

27 (1) THE COMMONWEALTH IS IN A SEVERE RECESSION AND THAT
28 THE SHARP DOWNTURN IN ECONOMIC ACTIVITY HAS DRIVEN LARGE
29 NUMBERS OF WORKERS INTO UNEMPLOYMENT AND HAS REDUCED THE
30 INCOMES OF MANY OTHERS;

31 (2) AS A RESULT OF THESE ADVERSE ECONOMIC CONDITIONS THE
32 CAPACITY OF MANY HOMEOWNERS TO CONTINUE TO MAKE MORTGAGE
33 PAYMENTS HAS DETERIORATED AND MAY FURTHER DETERIORATE IN THE
34 MONTHS AHEAD, LEADING TO THE POSSIBILITY OF WIDESPREAD
35 MORTGAGE FORECLOSURES AND DISTRESS SALES OF HOMES;

36 (3) MANY OF THESE HOMEOWNERS COULD RETAIN THEIR HOMES IF
37 THEY RECEIVED TEMPORARY FINANCIAL ASSISTANCE UNTIL ECONOMIC
38 CONDITIONS IMPROVE; AND

39 (4) A ~~LONG-TERM~~ PROGRAM IS NEEDED TO PREVENT SIMILAR
40 EMERGENCIES IN THE FUTURE.

41 (B) PURPOSE.--IT IS THE PURPOSE OF THIS ACT TO ESTABLISH A

1 PROGRAM WHICH WILL, THROUGH EMERGENCY MORTGAGE ASSISTANCE
2 PAYMENTS, PREVENT WIDESPREAD MORTGAGE FORECLOSURES AND DISTRESS
3 SALES OF HOMES WHICH RESULT FROM DEFAULT CAUSED BY CIRCUMSTANCES
4 BEYOND A HOMEOWNER'S CONTROL.

5 ~~Section 3. Administration.~~

<—

6 ~~(a) Administration. The Secretary of the Department of~~
7 ~~Community Affairs, hereinafter referred to as the "secretary,"~~
8 ~~shall carry out the program established by this act. Within 60~~
9 ~~days of the effective date of this act, the secretary shall~~
10 ~~promulgate and adopt regulations for the implementation of the~~
11 ~~provisions of this act. The secretary shall report annually to~~
12 ~~the General Assembly on the effectiveness of the Homeowners'~~
13 ~~Emergency Mortgage Assistance Program in accomplishing the~~
14 ~~purposes of this act.~~

15 ~~(b) Regulations. The secretary may make rules and~~
16 ~~regulations which are consistent with the provisions of this act~~
17 ~~and are necessary to carry out the provisions of this act.~~

18 ~~Section 4. Housing credit counseling.~~

19 ~~(a) Availability. The secretary shall determine whether~~
20 ~~sufficient nonprofit housing credit counseling is available~~
21 ~~within each county of the Commonwealth. In those counties in~~
22 ~~which the secretary finds that sufficient nonprofit housing~~
23 ~~credit counseling is not available, the Department of Community~~
24 ~~Affairs shall provide for housing credit counseling services to~~
25 ~~be available to those persons applying for relief under this~~
26 ~~act.~~

27 ~~(b) Guidelines. Within 60 days of the effective date of~~
28 ~~this act, the secretary shall adopt uniform guidelines for~~
29 ~~housing credit counseling services under this act and shall~~
30 ~~conduct periodic training programs for those providing such~~

1 ~~housing credit counseling services.~~

2 ~~(c) Notice. The mortgagee shall provide notice to any~~
3 ~~mortgagor who becomes 60 days' delinquent in his mortgage~~
4 ~~payments for the first time after the adoption of the guidelines~~
5 ~~required by subsection (b) or who has been delinquent prior to~~
6 ~~such adoption of the guidelines, advising him of the delinquency~~
7 ~~and of the availability of nonprofit housing credit counseling~~
8 ~~services including the telephone number for such services.~~

9 ~~Section 5. Eligibility for assistance.~~

10 ~~(a) Requirements. No assistance may be made with respect to~~
11 ~~a mortgage under this act unless:~~

12 ~~(1) The property securing the mortgage, or other~~
13 ~~security interest in the case of units in cooperative or~~
14 ~~condominium projects, is a one family or two family~~
15 ~~residence, including one family units in a condominium~~
16 ~~project or a membership interest and occupancy agreement in a~~
17 ~~cooperative housing project, is the principal residence of~~
18 ~~the mortgagor or mortgagors in cases of joint liability,~~
19 ~~hereinafter called mortgagor, and is located in this~~
20 ~~Commonwealth.~~

21 ~~(2) (i) the mortgagee has indicated to the mortgagor~~
22 ~~its intention to foreclose; or~~

23 ~~(ii) payments under the mortgage have been~~
24 ~~delinquent for at least 90 days.~~

25 ~~(3) The mortgage is not insured by the Federal Housing~~
26 ~~Administration under Title II of the National Housing Act.~~

27 ~~(4) The mortgagor is a permanent resident of this~~
28 ~~Commonwealth and is suffering financial hardship due to~~
29 ~~circumstances beyond the mortgagor's control which render the~~
30 ~~mortgagor unable to correct the delinquency within a~~

1 ~~reasonable time or make full mortgage payments.~~

2 ~~(5) The secretary has determined that there is a~~
3 ~~reasonable prospect that the mortgagor will be able to resume~~
4 ~~full mortgage payments within 36 months after the beginning~~
5 ~~of the period for which such payments are provided and pay~~
6 ~~the mortgage in full by its maturity date or by a later date~~
7 ~~agreed to by the mortgagee for completing mortgage payments.~~

8 ~~(6) The mortgagor has obtained housing credit counseling~~
9 ~~and at least one meeting has been held in person or by phone~~
10 ~~between the mortgagee, mortgagor and the housing credit~~
11 ~~counselor to attempt to establish a reasonable alternative~~
12 ~~payment, forbearance or other arrangement based upon the~~
13 ~~mortgagors ability to pay. If, at the time an application is~~
14 ~~filed, the requirements of this paragraph have not been met,~~
15 ~~the Department of Community Affairs shall notify a nonprofit~~
16 ~~housing credit counseling service in the county of the~~
17 ~~applicant's residence to contact the applicant and arrange~~
18 ~~for the requirements of this paragraph to be complied with.~~
19 ~~If the applicant resides in a county which the secretary has~~
20 ~~determined does not have sufficient nonprofit housing credit~~
21 ~~counseling services available, the department shall provide~~
22 ~~that housing credit counseling services are made available to~~
23 ~~the applicant. Failure of the secretary to make housing~~
24 ~~credit counseling available shall not result in~~
25 ~~disqualification of an applicant for assistance under this~~
26 ~~act.~~

27 ~~(7) The mortgagor has applied to the secretary for~~
28 ~~assistance on an application form prescribed by the secretary~~
29 ~~for this use which includes a financial statement disclosing~~
30 ~~all assets and liabilities of the mortgagor, whether singly~~

~~or jointly held, and all household income regardless of source. Any applicant who intentionally misrepresents any financial information in conjunction with the filing of an application for assistance under this act may be denied assistance or required to immediately repay any amount of assistance made as a result of such misrepresentation.~~

~~(8) The mortgagee is not prevented by law from foreclosing upon the mortgage.~~

~~(9) The secretary has determined, based on the mortgagor's financial statement, that the mortgagor has insufficient household income or net worth to correct the delinquency within a reasonable period of time, or make full mortgage payments.~~

~~(b) Determination by the secretary of eligibility. Upon a determination that the conditions of eligibility described in subsection (a) have been met by a mortgagor and money is available in the Homeowners' Emergency Mortgage Assistance Fund, the mortgagor shall become eligible for the assistance described in section 6. If the secretary determines that a mortgagor has not met the conditions of eligibility described in subsection (a), the mortgagor shall be prohibited from reapplying for assistance under this act for a period of 12 months from the date of such determination unless there is a material change in circumstances.~~

~~Section 6. Assistance payments.~~

~~(a) Payments. Assistance under this act shall be provided in the form of emergency mortgage assistance payments made by the secretary to mortgagees on behalf of mortgagors.~~

~~(b) Amount. Payments under this act shall be in an amount determined by the secretary as set forth herein not exceeding~~

~~1 the amount of the principal, interest, taxes, assessments,
2 ground rents, hazard insurance and any mortgage insurance
3 premiums due under the mortgage. Assistance payments shall be in
4 an amount which, together with payments required to be made by
5 the mortgagor to the mortgagee under this section, will equal
6 the full amount of the payments due under the terms of the
7 mortgage or the full amount of such alternative payments as may
8 have been agreed to under section 5(a)(6) and shall include the
9 amount of arrearages to be amortized pursuant to the provisions
10 of this section. The initial payment shall include an amount to
11 be applied toward making the payments on the mortgage current
12 and to pay reasonable costs and attorney fees already incurred
13 by the mortgagee but such payment shall not exceed 75% of such
14 arrearages, cost and fees or \$5,000 whichever is less. Any
15 remaining arrearages, including interest thereon at the note
16 rate, cost and fees shall be amortized over the remaining term
17 of the mortgage or such shorter period as is mutually agreeable
18 or added on as an extension of the mortgage term if agreed to by
19 the mortgagee and mortgagor. Late charges shall not be due for
20 unpaid mortgage payments from mortgagors determined eligible
21 under this act which may be incurred by reason of failure to
22 make payments during the period between the date of filing of an
23 application for assistance and the date when assistance payments
24 are provided. After a mortgagor has been determined eligible for
25 mortgage assistance, the monthly mortgage assistance payments
26 shall be in an amount which will cause the mortgagor's total
27 housing expense not to exceed 35% of net effective income. This
28 is the maximum amount the mortgagor can be required to pay
29 during the 36 months a mortgagor is eligible for emergency
30 mortgage assistance. If the mortgagor fails for a period of 60~~

~~1 days to make payment to the mortgagee of any amounts due~~
~~2 directly from him under this section, the mortgagee shall notify~~
~~3 the Department of Community Affairs of the delinquency and the~~
~~4 secretary shall perform a review of the mortgagor's financial~~
~~5 circumstances as provided in subsection (c) to determine whether~~
~~6 the delinquency is the result of a change in the mortgagor's~~
~~7 financial circumstances. If the delinquency is not the result of~~
~~8 a change in the mortgagor's financial circumstances, the~~
~~9 secretary shall terminate the emergency mortgage assistance and~~
~~10 the mortgagee may at any time take any legal action to enforce~~
~~11 the mortgage without any further restriction or requirement~~
~~12 under this act. If the delinquency is the result of a change in~~
~~13 the mortgagor's financial circumstances, the secretary shall~~
~~14 increase the assistance payments by an amount equal to the~~
~~15 amount of the delinquency and by such additional amounts for~~
~~16 future payments as may be found necessary for full payments on~~
~~17 the mortgage under the provisions of this section. Housing~~
~~18 expense shall be defined as the sum of the mortgagor's monthly~~
~~19 maintenance, utility, hazard insurance expense, taxes and~~
~~20 required mortgage payments, including escrows. Net effective~~
~~21 income shall be defined as gross household income less city,~~
~~22 State and Federal income and social security taxes. "Household~~
~~23 income" means the total income of a husband, wife and children~~
~~24 residing in the same household as the applicant and any other~~
~~25 resident of the household declared by the mortgagor as a~~
~~26 dependent for Federal tax purposes. The monthly mortgage~~
~~27 assistance payments may not exceed the mortgagor's total payment~~
~~28 to principal, interest, taxes, hazard insurance, mortgage~~
~~29 insurance premiums, assessments and ground rents. If the~~
~~30 mortgagor is receiving emergency mortgage assistance under a~~

~~program other than that established in this act, the amount of assistance he is entitled to under this act shall be reduced by an amount equal to the amount of assistance he is receiving under such other programs.~~

~~(c) Duration of loan. Payments under this act shall be provided for a period not to exceed 36 months, either consecutively or nonconsecutively, plus any period of default. The secretary shall establish procedures for periodic review of the mortgagor's financial circumstances for the purpose of determining the necessity for continuation, termination or adjustment of the amount of the payments. Payments shall be discontinued when the secretary determines that, because of the changes in the mortgagor's financial circumstances, the payments are no longer necessary in accordance with the standards set forth in subsection (b).~~

~~(d) Lien. All payments shall be secured by a mortgage lien on the property and by such other obligation as the secretary may require. The priority of any lien obtained by the Commonwealth under this act shall be determined in the same manner as the lien of a general secured creditor of the mortgagor. The lien or other security interest of the Commonwealth shall not be deemed to take priority over any other secured lien or security interest in effect against the mortgagor's property on the date assistance payments begin. The secretary may allow subordination of the mortgage assistance lien if such subordination is necessary to permit the mortgagor to obtain a home improvement loan for repairs necessary to preserve the property.~~

~~(e) Repayment. Upon approval of mortgage assistance, the secretary shall enter into an agreement with the mortgagor for~~

~~1 repayment of all mortgage assistance made by the secretary plus~~
~~2 interest as provided in paragraph (5). The agreement shall~~
~~3 provide for monthly payments by the mortgagor and be subject to~~
~~4 the following forbearance provisions:~~

~~5 (1) If the mortgagor's total housing expense as defined~~
~~6 in subsection (b) is less than 35% of his or her net~~
~~7 effective income, the mortgagor shall pay to the secretary~~
~~8 the difference between 35% of the mortgagor's net effective~~
~~9 income and the mortgagor's total housing expense unless~~
~~10 otherwise determined by the secretary after examining the~~
~~11 mortgagor's financial circumstances and ability to contribute~~
~~12 to repayment of the mortgage assistance.~~

~~13 (2) If the mortgagor's total housing expense is more~~
~~14 than 35% of his or her net effective income, repayment of the~~
~~15 mortgage assistance shall be deferred until the mortgagor's~~
~~16 total housing expense is less than 35% of his or her net~~
~~17 effective income.~~

~~18 (3) If repayment of mortgage assistance is not made the~~
~~19 date the mortgage is paid, the mortgagor shall make mortgage~~
~~20 assistance repayments in an amount not less than the mortgage~~
~~21 payment until the mortgage assistance is repaid.~~

~~22 (4) The secretary shall establish procedures for~~
~~23 periodic review of the mortgagor's financial circumstances to~~
~~24 determine the amounts of repayment required under this~~
~~25 section.~~

~~26 (5) Interest shall accrue on all mortgage assistance~~
~~27 made by the secretary at the rate of 9% per annum. Interest~~
~~28 shall start to accrue whenever the mortgagor begins to make~~
~~29 repayment under this section. Interest shall accrue only~~
~~30 during the period in which the mortgagor is required to make~~

1 ~~repayment under this section. When the mortgage for which~~
2 ~~mortgage assistance was made is paid, interest shall then~~
3 ~~accrue on all mortgage assistance due and owing at the same~~
4 ~~rate and on the same basis as the mortgage for which the~~
5 ~~mortgage assistance was made.~~

6 ~~(6) All moneys received from mortgagors for repayment of~~
7 ~~mortgage assistance shall be deposited in the State~~
8 ~~Homeowners' Emergency Mortgage Assistance Fund established in~~
9 ~~section 9 of this act.~~

10 ~~(f) Financial institutions. A financial institution shall~~
11 ~~not be deemed to be in violation of any statute, regulation or~~
12 ~~rule of supervisory authorities by reason of any agreement,~~
13 ~~forbearance or modification of the payment or other terms of a~~
14 ~~mortgage as an effect of the assistance program or by reason of~~
15 ~~actions taken or not taken pursuant to the program. No mortgage~~
16 ~~loan as to which assistance payments are being made shall be~~
17 ~~deemed to be delinquent or classified as such by supervisory~~
18 ~~authorities during the continuance of such assistance payments.~~

19 ~~Section 7. Processing of applications.~~

20 ~~The secretary shall process applications for assistance under~~
21 ~~this act in as expeditious a manner as is practicable. In~~
22 ~~carrying out this act, the secretary shall provide that, within~~
23 ~~not more than 90 calendar days from the receipt of an~~
24 ~~application for assistance under this act, the mortgagor and~~
25 ~~mortgagee will be notified by the secretary of the determination~~
26 ~~to approve or disapprove such application for assistance.~~

27 ~~Section 8. Notice and institution of foreclosure and mortgage~~
28 ~~terms.~~

29 ~~(a) Acceleration of maturity. Before any mortgagee may~~
30 ~~accelerate the maturity of any mortgage obligation covered under~~

1 ~~this act, commence any legal action including mortgage~~
2 ~~foreclosure to recover under such obligation, or take possession~~
3 ~~of any security of the mortgage debtor for such mortgage~~
4 ~~obligation, such mortgagee shall give the mortgagor at least 45~~
5 ~~days in advance of such action, notice of the right to apply to~~
6 ~~the Department of Community Affairs for emergency mortgage~~
7 ~~assistance payments and include therein a description of the~~
8 ~~program and an application form. Such notice shall be given in a~~
9 ~~form and manner prescribed by the secretary. The notice may be~~
10 ~~given at the same time as that required under section 403 of the~~
11 ~~act of January 30, 1974 (P.L.13, No.6), referred to as the Loan~~
12 ~~Interest and Protection Law.~~

13 ~~(b) Limits on legal actions. A mortgagee shall not~~
14 ~~accelerate the maturity of any mortgage obligation covered under~~
15 ~~this act, commence any legal action including mortgage~~
16 ~~foreclosure to recover under such obligation, or take possession~~
17 ~~of any security of the mortgage debtor for such mortgage~~
18 ~~obligation, until the mortgagor has had an opportunity to~~
19 ~~request the secretary for mortgage assistance under this act,~~
20 ~~the mortgagee has attended at least one meeting in accordance~~
21 ~~with the provisions of section 5(a)(6) and a determination has~~
22 ~~been made on the request for assistance pursuant to procedures~~
23 ~~prescribed by the secretary.~~

24 ~~(c) Pending legal actions. All pending legal actions by~~
25 ~~mortgagees on mortgages covered under this act in which~~
26 ~~sheriffs' sales have not been consummated on the effective date~~
27 ~~of this act shall be temporarily stayed in order to give the~~
28 ~~mortgagor the opportunity to request the secretary for~~
29 ~~assistance under this act and have a determination made by the~~
30 ~~secretary on such request pursuant to procedures prescribed by~~

~~the secretary. the Notice provided in subsection(a) shall be given to all mortgagors against whom such legal actions are pending on the effective date of this act. Such stay shall extend until 60 days after a mortgagor receives notification that he may request the secretary for assistance under this act and, in the case of a mortgagor who files for such assistance, the stay shall be in effect until the secretary makes a determination on the request for assistance.~~

~~(d) Other terms of mortgage. A mortgagor applying for or receiving assistance shall observe and perform all the terms, covenants and conditions of the mortgage, including without limitation payment of taxes, maintenance of fire and extended coverage insurance and escrow payments for such purposes unless included as part of the assistance payment.~~

~~Section 9. State Homeowners' Emergency Mortgage Assistance Fund.~~

~~The State Homeowners' Emergency Mortgage Assistance Fund is hereby created in the State Treasury to receive transfers from the General Fund through appropriations and shall be used to assist homeowners as provided in this act. The State Homeowners' Emergency Mortgage Assistance Fund is designated as the fund to receive and expend Federal and other funding, including grants in aid and assistance from private and public sources, made available to the Commonwealth for the purposes provided in this act subject to appropriation by the General Assembly. Moneys left over at the end of the fiscal year shall not lapse or be transferred to the General Fund, but shall remain to be used for the purposes specifically provided for by this act. Expenditures from the fund for services under section 4 shall not exceed \$3,000,000 annually.~~

1 ~~Section 10.— Limitation.~~

2 ~~Assistance under this act shall not extend to more than one~~
3 ~~mortgage on the subject property.~~

4 ~~Section 11.— Liability of Commonwealth.~~

5 ~~The liability of the Commonwealth to grant assistance under~~
6 ~~this act shall be limited to the amount of money currently~~
7 ~~available in the State Homeowners' Emergency Mortgage Assistance~~
8 ~~Fund: Provided, however, That any mortgagor who begins receiving~~
9 ~~assistance under this act shall be entitled to the full~~
10 ~~assistance such mortgagor would be otherwise entitled to.~~

11 ~~Section 12.— Insufficient funds.~~

12 ~~The provisions of this act shall not be applicable to any~~
13 ~~mortgage which becomes delinquent at any time when the State~~
14 ~~Homeowners' Emergency Mortgage Assistance Fund does not have~~
15 ~~money currently available to enable the secretary to approve~~
16 ~~applications for emergency mortgage assistance. It shall be the~~
17 ~~duty of the secretary to publish an announcement immediately~~
18 ~~upon a determination that the amount of such fund does not have~~
19 ~~the money available to approve additional applications. The~~
20 ~~State Treasurer shall have the duty to advise the secretary not~~
21 ~~less frequently than once each calendar quarter of the amount~~
22 ~~available in the fund. In the event that the fund becomes~~
23 ~~insufficient to approve applications for emergency mortgage~~
24 ~~assistance, the secretary shall immediately publish an~~
25 ~~announcement to that effect and mortgagees shall no longer be~~
26 ~~subject to the provisions of this act.~~

27 ~~Section 13.— Expiration of statute.~~

28 ~~This act, other than the provisions contained in sections~~
29 ~~6(d) and (e) and 9, shall expire in three years, except that~~
30 ~~mortgage assistance shall continue to be made available to~~

1 ~~mortgagors who were deemed eligible for mortgage assistance~~
2 ~~prior to the expiration of this act in accordance with the terms~~
3 ~~of this act.~~

4 ~~Section 14. Effective date.~~

5 ~~This act shall take effect immediately upon the initial~~
6 ~~provision of money to the State Homeowners' Emergency Mortgage~~
7 ~~Assistance Fund through appropriations.~~

8 THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA
9 HEREBY ENACTS AS FOLLOWS:

<—

10 SECTION 1. SECTION 103(5) OF THE ACT OF DECEMBER 3, 1959
11 (P.L.1688, NO.621), KNOWN AS THE HOUSING FINANCE AGENCY LAW,
12 AMENDED DECEMBER 5, 1972 (P.L.1259, NO.282), IS AMENDED TO READ:

13 SECTION 103. DEFINITIONS.--AS USED IN THIS ACT UNLESS
14 OTHERWISE INDICATED--

15 * * *

16 (5) "MORTGAGE" MEANS A [FIRST MORTGAGE] LIEN, OTHER THAN A
17 JUDGMENT ON A FEE SIMPLE OR LEASEHOLD IN REAL [ESTATE] PROPERTY
18 LOCATED IN PENNSYLVANIA, [GIVEN TO SECURE ADVANCES ON OR THE
19 UNPAID PURCHASE PRICE OF THE REAL ESTATE UNDER THE LAWS OF
20 PENNSYLVANIA,] TOGETHER WITH THE CREDIT INSTRUMENTS, IF ANY,
21 SECURED THEREBY; THE TERM "MORTGAGE," [UNMODIFIED BY THE WORD
22 "INSURED,"] INCLUDES BOTH INSURED MORTGAGES AND THOSE WHICH ARE
23 NOT INSURED.

24 * * *

25 SECTION 2. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

26 ARTICLE IV-C

27 HOMEOWNER'S EMERGENCY ASSISTANCE

28 SECTION 401-C. GENERAL AUTHORITY.--(A) THE PENNSYLVANIA
29 HOUSING FINANCE AGENCY, HEREINAFTER REFERRED TO AS THE "AGENCY"
30 MAY MAKE LOANS SECURED BY LIENS ON RESIDENTIAL REAL PROPERTY

1 LOCATED IN PENNSYLVANIA TO RESIDENTS OF PENNSYLVANIA ELIGIBLE
2 FOR SUCH LOANS AS DESCRIBED IN THIS ARTICLE.

3 (B) THE AGENCY SHALL CARRY OUT THE PROGRAM ESTABLISHED BY
4 THIS ARTICLE. WITHIN SIXTY DAYS OF THE EFFECTIVE DATE OF THIS
5 ARTICLE, THE AGENCY SHALL ADOPT PROGRAM GUIDELINES FOR THE
6 IMPLEMENTATION OF THIS ARTICLE. THE AGENCY SHALL REPORT ANNUALLY
7 TO THE GENERAL ASSEMBLY ON THE EFFECTIVENESS OF THE HOMEOWNER'S
8 EMERGENCY MORTGAGE ASSISTANCE PROGRAM IN ACCOMPLISHING THE
9 PURPOSES OF THIS ARTICLE.

10 (C) THE AGENCY SHALL DEVELOP UNIFORM NOTICES AND RULES AND
11 REGULATIONS IN ORDER TO IMPLEMENT THE PROVISIONS OF THIS
12 ARTICLE.

13 (D) THE AGENCY SHALL DESIGNATE AND APPROVE NONPROFIT
14 CONSUMER CREDIT COUNSELING AGENCIES IN EACH COUNTY TO BE
15 AVAILABLE TO ASSIST THE AGENCY IN IMPLEMENTING THE PROVISIONS OF
16 THIS ARTICLE, INCLUDING BUT NOT LIMITED TO MANDATED COUNSELING.
17 A "CONSUMER CREDIT COUNSELING AGENCY" SHALL BE DEFINED FOR THE
18 PURPOSE OF THIS ARTICLE AS A NONPROFIT CONSUMER CREDIT
19 COUNSELING AGENCY LOCATED IN PENNSYLVANIA WHICH IS APPROVED BY
20 THE AGENCY OR A HOUSING COUNSELING AGENCY CERTIFIED BY THE
21 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

22 SECTION 402-C. NOTICE AND INSTITUTION OF FORECLOSURE
23 PROCEEDINGS.--(A) BEFORE ANY MORTGAGEE MAY ACCELERATE THE
24 MATURITY OF ANY MORTGAGE OBLIGATION COVERED UNDER THIS ARTICLE,
25 COMMENCE ANY LEGAL ACTION INCLUDING MORTGAGE FORECLOSURE TO
26 RECOVER UNDER SUCH OBLIGATION, OR TAKE POSSESSION OF ANY
27 SECURITY OF THE MORTGAGE DEBTOR FOR SUCH MORTGAGE OBLIGATION,
28 SUCH MORTGAGEE SHALL GIVE THE MORTGAGOR NOTICE AS DESCRIBED IN
29 SECTION 403-C. SUCH NOTICE SHALL BE GIVEN IN A FORM AND MANNER
30 PRESCRIBED BY THE AGENCY.

1 (B) A MORTGAGEE SHALL NOT ACCELERATE THE MATURITY OF ANY
2 MORTGAGE OBLIGATION COVERED UNDER THIS ARTICLE, COMMENCE ANY
3 LEGAL ACTION INCLUDING MORTGAGE FORECLOSURE TO RECOVER UNDER
4 SUCH OBLIGATION, OR TAKE POSSESSION OF ANY SECURITY OF THE
5 MORTGAGE DEBTOR FOR SUCH MORTGAGE OBLIGATION UNTIL A
6 DETERMINATION HAS BEEN MADE ON A MORTGAGOR'S APPLICATION FOR
7 EMERGENCY MORTGAGE ASSISTANCE PAYMENTS, OR THE APPLICABLE TIME
8 PERIODS PROVIDED FOR IN SECTION 403-C HAVE EXPIRED WHICHEVER IS
9 EARLIER.

10 (C) ALL PENDING LEGAL ACTIONS BY MORTGAGEES ON MORTGAGES
11 COVERED UNDER THIS ARTICLE IN WHICH SHERIFF'S SALES HAVE NOT
12 BEEN CONSUMMATED ON THE EFFECTIVE DATE OF THIS ARTICLE SHALL BE
13 TEMPORARILY STAYED. THE NOTICE PROVIDED IN SECTION 403-C SHALL
14 BE GIVEN TO ALL MORTGAGORS AGAINST WHOM SUCH LEGAL ACTIONS ARE
15 PENDING ON THE EFFECTIVE DATE OF THIS ARTICLE. SUCH STAY SHALL
16 EXTEND UNTIL THE APPLICABLE TIME LIMITS PROVIDED FOR IN SECTION
17 403-C HAVE EXPIRED OR A MORTGAGOR'S REQUEST FOR ASSISTANCE HAS
18 BEEN DENIED BY THE AGENCY, WHICHEVER IS EARLIER.

19 SECTION 403-C. NOTICE REQUIREMENTS.--(A) ANY MORTGAGEE WHO
20 DESIRES TO FORECLOSE UPON A MORTGAGE SHALL SEND TO SUCH
21 MORTGAGOR AT HIS OR HER LAST KNOWN ADDRESS THE NOTICE PROVIDED
22 IN SUBSECTION (B): PROVIDED, HOWEVER, THAT SUCH MORTGAGOR SHALL
23 BE AT LEAST SIXTY DAYS CONTRACTUALLY DELINQUENT IN HIS MORTGAGE
24 PAYMENTS OR BE IN VIOLATION OF ANY OTHER PROVISION OF SUCH
25 MORTGAGE.

26 ~~(B) THE AGENCY SHALL PREPARE A UNIFORM NOTICE FOR PURPOSES~~ <—
27 ~~OF THIS SECTION. THE NOTICE SHALL ADVISE THE MORTGAGOR OF HIS~~
28 ~~DELINQUENCY OR OTHER DEFAULT UNDER THE MORTGAGE AND THAT SUCH~~
29 ~~MORTGAGOR HAS THIRTY DAYS TO DO EITHER OF THE FOLLOWING:~~

30 ~~(1) CONTRACT THE AGENCY OR ITS DULY AUTHORIZED AGENT AT THE~~

~~ADDRESS AND PHONE NUMBER LISTED IN THE NOTICE IN ORDER TO OBTAIN
AN APPLICATION AND INFORMATION REGARDING THE HOMEOWNER'S
EMERGENCY MORTGAGE ASSISTANCE PROGRAM. IF THE MORTGAGOR APPLIES
FOR MORTGAGE ASSISTANCE PAYMENTS, THE AGENCY SHALL PROMPTLY
NOTIFY ALL OF THE MORTGAGEES SECURED BY THE MORTGAGOR'S REAL
PROPERTY. THE AGENCY MUST MAKE A DETERMINATION OF ELIGIBILITY
WITHIN SIXTY CALENDAR DAYS OF RECEIPT OF THE MORTGAGOR'S
APPLICATION. DURING THE TIME THAT THE APPLICATION IS PENDING, NO
MORTGAGEE MAY COMMENCE LEGAL ACTION TO FORECLOSE UPON ITS
MORTGAGE WITH THE MORTGAGOR.~~

~~(2) MEET THE MORTGAGEE WHO SENT THE NOTICE OR A CONSUMER
CREDIT COUNSELOR TO ATTEMPT TO RESOLVE THE DELINQUENCY OR
DEFAULT BY RESTRUCTURING THE LOAN PAYMENT SCHEDULE OR OTHERWISE.
A "CONSUMER CREDIT COUNSELOR" SHALL BE DEFINED FOR THE PURPOSE
OF THIS ARTICLE AS AN CONSUMER CREDIT COUNSELOR LOCATED IN
PENNSYLVANIA WHICH IS A MEMBER OF THE NATIONAL FOUNDATION OF
CONSUMER CREDIT, INC. OR A HOUSING COUNSELING AGENCY CERTIFIED
BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT. IF THE MORTGAGOR MEETS WITH A CONSUMER CREDIT
COUNSELOR, THE CONSUMER CREDIT COUNSELOR SHALL PROMPTLY NOTIFY
ALL OF THE MORTGAGEES SECURED BY THE MORTGAGOR'S REAL PROPERTY,
AND NO MORTGAGEE SO NOTIFIED SHALL COMMENCE ANY LEGAL ACTION
AGAINST THE MORTGAGOR'S REAL PROPERTY FOR A PERIOD NOT TO EXCEED
THIRTY CALENDAR DAYS FROM THE DATE THAT THE MORTGAGEE RECEIVES
NOTICE FROM THE CONSUMER CREDIT COUNSELOR. IF THE MORTGAGOR AND
THE MORTGAGEE ARE UNABLE TO RESOLVE THE DELINQUENCY OR DEFAULT
WITHIN THIRTY (30) CALENDAR DAYS OF THE MORTGAGOR'S FIRST
CONTACT WITH EITHER THE MORTGAGEE OR A CONSUMER CREDIT
COUNSELOR, THE MORTGAGOR MAY APPLY TO THE AGENCY FOR MORTGAGE
ASSISTANCE PAYMENTS AS PROVIDED IN PARAGRAPH (1).~~

1 (B) THE AGENCY SHALL PREPARE A UNIFORM NOTICE FOR PURPOSES
2 OF THIS SECTION AS FOLLOWS: THE NOTICE SHALL LIST CONSUMER
3 CREDIT COUNSELING AGENCIES, SHALL ADVISE THE MORTGAGOR OF HIS
4 DELINQUENCY OR OTHER DEFAULT UNDER THE MORTGAGE AND THAT SUCH
5 MORTGAGOR HAS THIRTY (30) DAYS TO HAVE A FACE-TO-FACE MEETING
6 WITH THE MORTGAGEE WHO SENT THE NOTICE OR A CONSUMER CREDIT
7 COUNSELING AGENCY TO ATTEMPT TO RESOLVE THE DELINQUENCY OR
8 DEFAULT BY RESTRUCTURING THE LOAN PAYMENT SCHEDULE OR OTHERWISE.
9 IF THE MORTGAGOR MEETS WITH A CONSUMER CREDIT COUNSELING AGENCY,
10 THE CONSUMER CREDIT COUNSELING AGENCY SHALL PROMPTLY NOTIFY ALL
11 OF THE MORTGAGEES SECURED BY THE MORTGAGOR'S REAL PROPERTY, AND
12 NO MORTGAGEE SO NOTIFIED SHALL COMMENCE ANY LEGAL ACTION AGAINST
13 THE MORTGAGOR'S REAL PROPERTY FOR A PERIOD NOT TO EXCEED THIRTY
14 (30) CALENDAR DAYS FROM THE DATE THAT THE MORTGAGEE FIRST MEETS
15 WITH THE CONSUMER CREDIT COUNSELING AGENCY. THE NOTICE SHALL
16 INCLUDE A STATEMENT THAT IF THE MORTGAGOR IS UNABLE TO RESOLVE
17 THE DELINQUENCY OR DEFAULT WITHIN THIRTY (30) CALENDAR DAYS OF
18 THE MORTGAGOR'S FIRST CONTRACT WITH EITHER THE MORTGAGEE OR A
19 CONSUMER CREDIT COUNSELING AGENCY, THE MORTGAGOR MAY APPLY TO
20 THE AGENCY OR ITS DULY AUTHORIZED AGENT AT THE ADDRESS AND PHONE
21 NUMBER LISTED IN THE NOTICE IN ORDER TO OBTAIN AN APPLICATION
22 AND INFORMATION REGARDING THE HOMEOWNER'S EMERGENCY MORTGAGE
23 ASSISTANCE PROGRAM. IF THE MORTGAGOR APPLIES FOR MORTGAGE
24 ASSISTANCE PAYMENTS, THE AGENCY SHALL PROMPTLY NOTIFY ALL OF THE
25 MORTGAGEES SECURED BY THE MORTGAGOR'S REAL PROPERTY. THE AGENCY
26 SHALL MAKE A DETERMINATION OF ELIGIBILITY WITHIN SIXTY (60)
27 CALENDAR DAYS OF RECEIPT OF THE MORTGAGOR'S APPLICATION. DURING
28 THE TIME THAT THE APPLICATION IS PENDING, NO MORTGAGEE MAY
29 COMMENCE LEGAL ACTION TO FORECLOSE UPON ITS MORTGAGE WITH THE
30 MORTGAGOR.

1 (C) IF THE MORTGAGOR FAILS TO MEET WITH THE MORTGAGEE OR
2 CONSUMER CREDIT COUNSELING AGENCY OR MEET ANY OF THE TIME
3 LIMITATIONS SPECIFIED IN THE NOTICE, OR IF THE MORTGAGOR'S
4 APPLICATION FOR MORTGAGE ASSISTANCE PAYMENTS IS DENIED, THE
5 MORTGAGEE MAY AT ANY TIME THEREAFTER TAKE ANY LEGAL ACTION TO
6 ENFORCE THE MORTGAGE WITHOUT ANY FURTHER RESTRICTION OR
7 REQUIREMENTS UNDER THIS ARTICLE.

8 SECTION 404-C. ELIGIBILITY FOR ASSISTANCE.--(A) NO
9 ASSISTANCE MAY BE MADE WITH RESPECT TO A MORTGAGE UNDER THIS
10 ARTICLE UNLESS ALL OF THE FOLLOWING ARE ESTABLISHED:

11 (1) THE PROPERTY SECURING THE MORTGAGE, OR OTHER SECURITY
12 INTEREST IN THE CASE OF UNITS IN COOPERATIVE OR CONDOMINIUM
13 PROJECTS, IS A ONE-FAMILY RESIDENCE, OR TWO-FAMILY OWNER-
14 OCCUPIED RESIDENCE INCLUDING ONE-FAMILY UNITS IN A CONDOMINIUM
15 PROJECT OR A MEMBERSHIP INTEREST AND OCCUPANCY AGREEMENT IN A
16 COOPERATIVE HOUSING PROJECT, IS THE PRINCIPAL RESIDENCE OF THE
17 MORTGAGOR AND IS LOCATED IN THIS COMMONWEALTH.

18 (2)(I) ANY MORTGAGEE HAS INDICATED TO THE MORTGAGOR ITS
19 INTENTION TO FORECLOSE; OR

20 (II) PAYMENTS UNDER ANY MORTGAGE HAVE BEEN CONTRACTUALLY
21 DELINQUENT FOR AT LEAST 60 DAYS.

22 (3) THE MORTGAGE IS NOT INSURED BY THE FEDERAL HOUSING
23 ADMINISTRATION UNDER TITLE II OF THE NATIONAL HOUSING ACT.

24 (4) THE MORTGAGOR IS A PERMANENT RESIDENT OF THIS
25 COMMONWEALTH AND IS SUFFERING FINANCIAL HARDSHIP DUE TO
26 CIRCUMSTANCES BEYOND THE MORTGAGOR'S CONTROL WHICH RENDER THE
27 MORTGAGOR UNABLE TO CORRECT THE DELINQUENCY OR DELINQUENCIES
28 WITHIN A REASONABLE TIME AND MAKE FULL MORTGAGE PAYMENTS.

29 (5) THE AGENCY HAS DETERMINED THAT THERE IS A REASONABLE
30 PROSPECT THAT THE MORTGAGOR WILL BE ABLE TO RESUME FULL MORTGAGE

1 PAYMENTS WITHIN THIRTY-SIX (36) MONTHS AFTER THE BEGINNING OF
2 THE PERIOD FOR WHICH ASSISTANCE PAYMENTS ARE PROVIDED UNDER THIS
3 ARTICLE AND PAY THE MORTGAGE OR MORTGAGES IN FULL BY ITS
4 MATURITY DATE OR BY A LATER DATE AGREED TO BY THE MORTGAGEE OR
5 MORTGAGEES FOR COMPLETING MORTGAGE PAYMENTS.

6 (6) THE MORTGAGOR HAS APPLIED TO THE AGENCY FOR ASSISTANCE
7 ON AN APPLICATION FORM PRESCRIBED BY THE AGENCY FOR THIS USE
8 WHICH INCLUDES A FINANCIAL STATEMENT DISCLOSING ALL ASSETS AND
9 LIABILITIES OF THE MORTGAGOR, WHETHER SINGLY OR JOINTLY HELD,
10 AND ALL HOUSEHOLD INCOME REGARDLESS OF SOURCE. ANY APPLICANT WHO
11 INTENTIONALLY MISREPRESENTS ANY FINANCIAL INFORMATION IN
12 CONJUNCTION WITH THE FILING OF AN APPLICATION FOR ASSISTANCE
13 UNDER THIS ARTICLE MAY BE DENIED ASSISTANCE OR REQUIRED TO
14 IMMEDIATELY REPAY ANY AMOUNT OF ASSISTANCE MADE AS A RESULT OF
15 SUCH MISREPRESENTATION AND THE MORTGAGEE MAY AT ANY TIME
16 THEREAFTER TAKE ANY LEGAL ACTION TO ENFORCE THE MORTGAGE WITHOUT
17 ANY FURTHER RESTRICTIONS OR REQUIREMENTS UNDER THIS ARTICLE.

18 (7) THE MORTGAGEE IS NOT PREVENTED BY LAW FROM FORECLOSING
19 UPON THE MORTGAGE.

20 (8) THE AGENCY HAS DETERMINED, BASED ON THE MORTGAGOR'S
21 FINANCIAL STATEMENT, THAT THE MORTGAGOR HAS INSUFFICIENT
22 HOUSEHOLD INCOME OR NET WORTH TO CORRECT THE DELINQUENCY OR
23 DELINQUENCIES WITHIN A REASONABLE PERIOD OF TIME AND MAKE FULL
24 MORTGAGE PAYMENTS.

25 ~~(9) THE MORTGAGOR SHALL HAVE EXHAUSTED UNEMPLOYMENT~~ <—
26 ~~COMPENSATION BENEFITS DURING 1982, 1983 OR 1984.~~

27 ~~(10) THE MORTGAGOR SHALL HAVE HAD A FAVORABLE CREDIT HISTORY~~
28 ~~PRIOR TO ANY PERIOD OF UNEMPLOYMENT. FAVORABLE CREDIT HISTORY,~~
29 ~~AS USED IN THIS ARTICLE SHALL BE DETERMINED BY THE AGENCY.~~

30 ~~(11) THE MORTGAGORS SHALL HAVE A LEVEL OF INCOME FROM OTHER~~

~~FAMILY MEMBERS AND PROPERTY INCOME NOT IN EXCESS OF AN AMOUNT WHICH INDICATES A SIGNIFICANT NEED FOR ASSISTANCE IN MAKING TIMELY MORTGAGE PAYMENTS. SUCH INCOME CEILINGS SHALL BE DETERMINED BY THE AGENCY.~~

~~(12) ALL OF THE MORTGAGEES SHALL AGREE TO THE ELIGIBILITY OF THE MORTGAGOR TO PARTICIPATE IN THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM.~~

~~(13) ANY OTHER REQUIREMENTS ESTABLISHED BY THE AGENCY.~~

(9) EXCEPT FOR THE CURRENT DELINQUENCY, THE MORTGAGOR SHALL HAVE HAD A FAVORABLE RESIDENTIAL MORTGAGE CREDIT HISTORY FOR THE PREVIOUS FIVE (5) YEARS. THIS REQUIREMENT SHALL MEAN THAT IF THE MORTGAGOR HAS BEEN MORE THAN THREE (3) CONSECUTIVE MONTHS IN ARREARS ON A RESIDENTIAL MORTGAGE WITHIN THE PREVIOUS FIVE (5) YEARS HE SHALL BE INELIGIBLE FOR ASSISTANCE, UNLESS THE MORTGAGOR CAN DEMONSTRATE THAT THE PRIOR DELINQUENCY WAS THE RESULT OF FINANCIAL HARDSHIP DUE TO CIRCUMSTANCES BEYOND HIS CONTROL.

(10) FOR PURPOSES OF THIS SECTION, IN ORDER TO DETERMINE WHETHER THE FINANCIAL HARDSHIP IS DUE TO CIRCUMSTANCES BEYOND THE MORTGAGOR'S CONTROL, THE AGENCY MAY CONSIDER INFORMATION REGARDING THE MORTGAGOR'S EMPLOYMENT RECORD, CREDIT HISTORY AND CURRENT INCOME.

(11) THE MORTGAGOR MEETS ANY OTHER REQUIREMENTS ESTABLISHED BY THE AGENCY.

(B) UPON A DETERMINATION THAT THE CONDITIONS OF ELIGIBILITY DESCRIBED IN SUBSECTION (A) HAVE BEEN MET BY A MORTGAGOR AND MONEY IS AVAILABLE IN THE HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND, THE MORTGAGOR SHALL BECOME ELIGIBLE FOR THE ASSISTANCE DESCRIBED IN SECTION 405.C. IF THE AGENCY DETERMINES THAT A MORTGAGOR HAS NOT MET THE CONDITIONS OF ELIGIBILITY

DESCRIBED IN SUBSECTION (A), THE MORTGAGOR SHALL BE PROHIBITED
FROM REAPPLYING FOR ASSISTANCE UNDER THIS ARTICLE FOR A PERIOD
OF ~~TWELVE (12)~~ SIX (6) MONTHS FROM THE DATE OF SUCH
DETERMINATION UNLESS THERE IS A MATERIAL CHANGE IN
CIRCUMSTANCES: PROVIDED, HOWEVER, THAT NOTHING IN THIS
SUBSECTION SHALL PROHIBIT ANY MORTGAGEE FROM COMMENCING LEGAL
ACTION TO ENFORCE THE MORTGAGE WITHOUT ANY FURTHER RESTRICTION
OR REQUIREMENT UNDER THIS ARTICLE WHENEVER THE AGENCY DETERMINES
THAT THE MORTGAGOR IS INELIGIBLE FOR ASSISTANCE AS PROVIDED IN
THIS SECTION.

SECTION 405-C. ASSISTANCE PAYMENTS.--(A) IF THE AGENCY
DETERMINES THAT A MORTGAGOR IS ELIGIBLE FOR ASSISTANCE UNDER
THIS ARTICLE, THE AGENCY SHALL PAY DIRECTLY TO EACH MORTGAGEE
SECURED BY THE MORTGAGOR'S REAL ESTATE PAYMENTS ON BEHALF OF THE
~~MORTGAGOR, SECURED BY THE MORTGAGOR'S REAL ESTATE.~~ THE AGENCY
SHALL PAY TO EACH MORTGAGEE THE FULL AMOUNT THEN DUE TO THAT
MORTGAGEE PURSUANT TO THE TERMS OF THE MORTGAGE WITHOUT REGARD
TO ANY ACCELERATION UNDER THE MORTGAGE, OR THE FULL AMOUNT OF
ANY ALTERNATE MORTGAGE PAYMENTS AGREED TO BY THE MORTGAGEE AND
MORTGAGOR. THIS AMOUNT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
AMOUNT OF PRINCIPAL, INTEREST, TAXES, ASSESSMENTS, GROUND RENTS,
HAZARD INSURANCE ANY MORTGAGE INSURANCE OR CREDIT INSURANCE
PREMIUMS. THE INITIAL PAYMENT MADE BY THE AGENCY TO EACH
MORTGAGEE SHALL BE AN AMOUNT WHICH MAKES EACH MORTGAGE CURRENT
AND PAYS REASONABLE COSTS AND REASONABLE ATTORNEYS' FEES ALREADY
INCURRED BY SUCH MORTGAGEE.

(B) AFTER THE MORTGAGOR AGENCY HAS PAID ANY AND ALL
ARREARAGES PURSUANT TO SUBSECTION (A) TO EACH MORTGAGEE, ~~HE~~ THE
MORTGAGOR MAY BE ENTITLED TO MONTHLY MORTGAGE ASSISTANCE
PAYMENTS PURSUANT TO THIS ARTICLE. A MORTGAGOR ON WHOSE BEHALF

1 THE AGENCY IS MAKING MORTGAGE ASSISTANCE PAYMENTS SHALL PAY
2 MONTHLY PAYMENTS TO THE AGENCY. SUCH PAYMENTS SHALL BE IN AN
3 AMOUNT WHICH WILL CAUSE THE MORTGAGOR'S TOTAL HOUSING EXPENSE
4 NOT TO EXCEED THIRTY-FIVE (35) PERCENT OF THE MORTGAGOR'S NET
5 EFFECTIVE INCOME. THIS SHALL BE THE MAXIMUM AMOUNT THE MORTGAGOR
6 CAN BE REQUIRED TO PAY DURING THE ~~TWENTY FOUR (24)~~ THIRTY-SIX <—
7 (36) MONTHS A MORTGAGOR IS ELIGIBLE FOR EMERGENCY MORTGAGE
8 ASSISTANCE. THE MORTGAGOR SHALL MAKE THE ABOVE PAYMENT TO THE
9 AGENCY AT LEAST SEVEN (7) DAYS BEFORE EACH MORTGAGE PAYMENT IS
10 DUE TO EACH ~~MORTGAGE~~ MORTGAGEE. UPON RECEIPT OF THIS PAYMENT <—
11 FROM THE MORTGAGOR, THE AGENCY OR ITS DULY AUTHORIZED AGENCY <—
12 AGENT SHALL SEND THE TOTAL MORTGAGE PAYMENTS PAYMENT DIRECTLY TO <—
13 EACH MORTGAGEE ~~AND SHALL INCLUDE HOUSING EXPENSES.~~ "HOUSING <—
14 EXPENSE" SHALL BE DEFINED AS THE SUM OF THE MORTGAGOR'S MONTHLY
15 MAINTENANCE, UTILITY, HAZARD INSURANCE EXPENSE, TAXES AND
16 REQUIRED MORTGAGE PAYMENTS, INCLUDING ESCROWS. "NET EFFECTIVE
17 INCOME" SHALL BE DEFINED AS GROSS HOUSEHOLD INCOME LESS CITY,
18 STATE AND FEDERAL INCOME AND SOCIAL SECURITY TAXES. "GROSS
19 HOUSEHOLD INCOME" MEANS THE TOTAL INCOME OF A HUSBAND, WIFE AND
20 CHILDREN RESIDING IN THE SAME HOUSEHOLD AS THE APPLICANT AND ANY
21 OTHER RESIDENT OF THE HOUSEHOLD DECLARED BY THE MORTGAGOR AS A
22 DEPENDENT FOR FEDERAL TAX PURPOSES. IF THE MORTGAGOR IS
23 RECEIVING EMERGENCY MORTGAGE ASSISTANCE UNDER A PROGRAM OTHER
24 THAN THAT ESTABLISHED IN THIS ARTICLE, THE AMOUNT OF THE PAYMENT
25 HE OR SHE IS REQUIRED TO MAKE TO THE AGENCY UNDER THIS ARTICLE
26 SHALL TAKE INTO CONSIDERATION THE AMOUNT OF ASSISTANCE HE IS
27 RECEIVING UNDER SUCH OTHER PROGRAMS.

28 (C) THE AMOUNT BY WHICH THE MORTGAGOR ASSISTANCE PAYMENTS
29 MADE BY THE AGENCY TO ALL MORTGAGEES EXCEEDS THE AMOUNT OF
30 PAYMENTS MADE BY THE MORTGAGOR TO THE AGENCY SHALL BE A LOAN IN

1 THAT AMOUNT BY THE AGENCY TO THE MORTGAGOR. SUCH LOAN SHALL BE
2 EVIDENCED BY SUCH DOCUMENTS AS THE AGENCY SHALL DETERMINE AND
3 SHALL BE SUBJECT TO REPAYMENT WITH INTEREST AND SECURED AS
4 PROVIDED HEREIN.

5 (D) IF THE MORTGAGOR FAILS TO PAY TO THE AGENCY ANY AMOUNTS
6 DUE DIRECTLY FROM HIM OR HER UNDER THIS SECTION WITHIN FIFTEEN <—

7 (15) DAYS OF THE DUE DATE, THE AGENCY SHALL REVIEW THE
8 MORTGAGOR'S FINANCIAL CIRCUMSTANCES AS PROVIDED IN SUBSECTION
9 (B) TO DETERMINE WHETHER THE DELINQUENCY IS THE RESULT OF A

10 CHANGE IN THE MORTGAGOR'S FINANCIAL CIRCUMSTANCE. IF THE
11 DELINQUENCY IS NOT THE RESULT OF A CHANGE IN THE MORTGAGOR'S
12 FINANCIAL CIRCUMSTANCES, THE AGENCY SHALL TERMINATE THE

13 EMERGENCY MORTGAGE ASSISTANCE PAYMENTS AND ANY MORTGAGEE MAY AT
14 ANY TIME THEREAFTER TAKE ANY LEGAL ACTION TO ENFORCE ITS

15 MORTGAGE WITHOUT ANY FURTHER RESTRICTION OR REQUIREMENT UNDER
16 THIS ARTICLE. IF THE DELINQUENCY IS THE RESULT OF A CHANGE IN

17 THE MORTGAGOR'S FINANCIAL CIRCUMSTANCES, THE AGENCY SHALL MODIFY
18 THE MORTGAGOR'S REQUIRED PAYMENTS TO THE AGENCY AS THE AGENCY
19 SHALL DETERMINE.

20 (E) IF ANY MORTGAGEE SCHEDULED TO RECEIVE PAYMENTS FROM THE
21 AGENCY PURSUANT TO THIS ARTICLE FAILS TO RECEIVE FROM THE AGENCY

22 THE FULL AMOUNT OF SUCH PAYMENT BY WITHIN THIRTY (30) DAYS OF <—
23 THE SCHEDULED DUE DATE, OR IF A MORTGAGOR FAILS TO OBSERVE AND

24 PERFORM ALL THE TERMS, COVENANTS AND CONDITIONS OF THE MORTGAGE,
25 THAT MORTGAGEE MAY AT ANY TIME THEREAFTER TAKE ANY LEGAL ACTION
26 TO ENFORCE THE MORTGAGE WITHOUT ANY FURTHER RESTRICTION OR
27 REQUIREMENT UNDER THIS ARTICLE.

28 (F) PAYMENTS UNDER THIS ARTICLE SHALL BE PROVIDED FOR A
29 PERIOD NOT TO EXCEED ~~TWENTY FOUR (24)~~ THIRTY-SIX (36) MONTHS, <—

30 EITHER CONSECUTIVELY OR NONCONSECUTIVELY. THE AGENCY SHALL

1 ESTABLISH PROCEDURES FOR PERIODIC REVIEW OF THE MORTGAGOR'S
2 FINANCIAL CIRCUMSTANCES FOR THE PURPOSE OF DETERMINING THE
3 NECESSITY FOR CONTINUATION, TERMINATION OR ADJUSTMENT OF THE
4 AMOUNT OF THE PAYMENTS. PAYMENTS SHALL BE DISCONTINUED WHEN THE
5 AGENCY DETERMINES THAT, BECAUSE OF THE CHANGES IN THE
6 MORTGAGOR'S FINANCIAL CIRCUMSTANCES THE PAYMENTS ARE NO LONGER
7 NECESSARY IN ACCORDANCE WITH THE STANDARDS SET FORTH IN SECTION
8 404-C.

9 (G) REPAYMENT OF AMOUNTS OWED TO THE AGENCY FROM A MORTGAGOR
10 SHALL BE SECURED BY A MORTGAGE LIEN ON THE PROPERTY AND BY SUCH
11 OTHER OBLIGATION AS THE AGENCY MAY REQUIRE. THE PRIORITY OF ANY
12 LIEN OBTAINED BY THE AGENCY UNDER THIS ARTICLE SHALL BE
13 DETERMINED IN THE SAME MANNER AS THE LIEN OF A GENERAL SECURED
14 CREDITOR OF THE MORTGAGOR. THE LIEN OR OTHER SECURITY INTEREST
15 OF THE AGENCY SHALL NOT BE DEEMED TO TAKE PRIORITY OVER ANY
16 OTHER SECURED LIEN OR SECURED INTEREST IN EFFECT AGAINST THE
17 MORTGAGOR'S PROPERTY ON THE DATE ASSISTANCE PAYMENTS BEGIN. THE
18 AGENCY MAY ALLOW SUBORDINATION OF THE MORTGAGE ASSISTANCE LIEN
19 IF SUCH SUBORDINATION IS NECESSARY TO PERMIT THE MORTGAGOR TO
20 OBTAIN A HOME IMPROVEMENT LOAN FOR REPAIRS NECESSARY TO PRESERVE
21 THE PROPERTY.

22 SECTION 406-C. REPAYMENT.--UPON APPROVAL OF MORTGAGE
23 ASSISTANCE, THE AGENCY SHALL ENTER INTO AN AGREEMENT WITH THE
24 MORTGAGOR FOR REPAYMENT OF ALL MORTGAGE ASSISTANCE MADE BY THE
25 AGENCY PLUS INTEREST AS PROVIDED IN PARAGRAPH (5). THE AGREEMENT
26 SHALL PROVIDE FOR MONTHLY PAYMENTS BY THE MORTGAGOR AND BE
27 SUBJECT TO THE FOLLOWING FORBEARANCE PROVISIONS:

28 (1) IF THE MORTGAGOR'S TOTAL HOUSING EXPENSE AS DEFINED IN
29 SECTION 405-C IS LESS THAN THIRTY-FIVE (35) PERCENT OF HIS OR
30 HER NET EFFECTIVE INCOME, THE MORTGAGOR SHALL PAY TO THE AGENCY

1 THE DIFFERENCE BETWEEN THIRTY-FIVE (35) PERCENT OF THE
2 MORTGAGOR'S NET EFFECTIVE INCOME AND THE MORTGAGOR'S TOTAL
3 HOUSING EXPENSE UNLESS OTHERWISE DETERMINED BY THE AGENCY AFTER
4 EXAMINING THE MORTGAGOR'S FINANCIAL CIRCUMSTANCES AND ABILITY TO
5 CONTRIBUTE TO REPAYMENT OF THE MORTGAGE ASSISTANCE.

6 (2) IF THE MORTGAGOR'S TOTAL HOUSING EXPENSE IS MORE THAN
7 THIRTY-FIVE (35) PERCENT OF HIS OR HER NET EFFECTIVE INCOME,
8 REPAYMENT OF THE MORTGAGE ASSISTANCE SHALL BE DEFERRED UNTIL THE
9 MORTGAGOR'S TOTAL HOUSING EXPENSE IS LESS THAN THIRTY-FIVE (35)
10 PERCENT OF HIS OR HER NET EFFECTIVE INCOME.

11 (3) IF REPAYMENT OF MORTGAGE ASSISTANCE IS NOT MADE BY THE
12 DATE ANY MORTGAGE IS PAID, THE MORTGAGOR SHALL MAKE MORTGAGE
13 ASSISTANCE REPAYMENTS IN AN AMOUNT NOT LESS THAN THE MORTGAGE
14 PAYMENT UNTIL THE MORTGAGE ASSISTANCE IS REPAID.

15 (4) THE AGENCY SHALL ESTABLISH PROCEDURES FOR PERIODIC
16 REVIEW OF THE MORTGAGOR'S FINANCIAL CIRCUMSTANCES TO DETERMINE
17 THE AMOUNTS OF REPAYMENT REQUIRED UNDER THIS SECTION.

18 (5) INTEREST SHALL ACCRUE ON ALL MORTGAGE ASSISTANCE MADE BY
19 THE AGENCY AT THE RATE OF NINE (9) PERCENT PER ANNUM. INTEREST
20 SHALL START TO ACCRUE WHENEVER THE MORTGAGOR BEGINS TO MAKE
21 REPAYMENT UNDER THIS SECTION. INTEREST SHALL ACCRUE ONLY DURING
22 THE PERIOD IN WHICH THE MORTGAGOR IS REQUIRED TO MAKE REPAYMENT
23 UNDER THIS SECTION. WHEN ANY MORTGAGE FOR WHICH MORTGAGE
24 ASSISTANCE WAS MADE IS PAID, INTEREST SHALL THEN ACCRUE ON ALL
25 MORTGAGE ASSISTANCE DUE AND OWING AT THE SAME RATE AND ON THE
26 SAME BASIS AS THE MORTGAGE FOR WHICH THE MORTGAGE ASSISTANCE WAS
27 MADE.

28 (6) ALL MONEYS RECEIVED FROM MORTGAGORS FOR REPAYMENT OF
29 MORTGAGE ASSISTANCE SHALL BE DEPOSITED IN THE STATE HOMEOWNER'S
30 EMERGENCY MORTGAGE ASSISTANCE FUND ESTABLISHED BY THE AGENCY FOR

1 THE SOLE PURPOSE OF IMPLEMENTING THE PROVISIONS OF THIS ARTICLE.

2 SECTION 407-C. FINANCIAL INSTITUTIONS.--A FINANCIAL
3 INSTITUTION SHALL NOT BE DEEMED TO BE IN VIOLATION OF ANY
4 STATUTE, REGULATION OR RULE OF SUPERVISORY AUTHORITIES BY REASON
5 OF ANY AGREEMENT, FORBEARANCE OF MODIFICATION OF THE PAYMENT OR
6 OTHER TERMS OF A MORTGAGE AS AN EFFECT OF THE ASSISTANCE PROGRAM
7 OR BY REASON OF ACTIONS TAKEN OR NOT TAKEN PURSUANT TO THE
8 PROGRAM. NO MORTGAGE LOAN AS TO WHICH ASSISTANCE PAYMENTS ARE
9 BEING MADE SHALL BE DEEMED TO BE DELINQUENT OR CLASSIFIED AS
10 SUCH BY SUPERVISORY AUTHORITIES DURING THE CONTINUANCE OF SUCH
11 ASSISTANCE PAYMENTS.

12 SECTION 408-C. HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE
13 FUND.--THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE FUND IS
14 HEREBY CREATED AS A SEPARATE ACCOUNT WITHIN THE AGENCY FOR THE
15 SOLE PURPOSE OF IMPLEMENTING THE PROVISIONS OF THIS ARTICLE. NO
16 OTHER AGENCY FUNDS, MONEYS OR INTEREST EARNINGS SHALL BE
17 UTILIZED FOR THE PURPOSES OF THIS ARTICLE. THE HOMEOWNER'S
18 EMERGENCY MORTGAGE ASSISTANCE FUND SHALL ONLY BE UTILIZED BY THE
19 AGENCY WHENEVER FUNDS ARE SPECIFICALLY AUTHORIZED AND
20 APPROPRIATED BY THE GENERAL ASSEMBLY PURSUANT TO SECTION 410-C <—
21 OF THIS ARTICLE FOR THE PURPOSES PROVIDED FOR IN THIS ARTICLE.
22 ALL MONEYS PAID BY MORTGAGORS TO THE AGENCY TO REPAY LOANS
23 PROVIDED BY THE AGENCY SHALL BE ACCOUNTED FOR AND LAPSED INTO OR
24 TRANSFERRED BACK TO THE SOURCE FROM WHICH THE FUNDS ARE
25 APPROPRIATED UNLESS THE FUNDS CANNOT BE LAPSED OR TRANSFERRED
26 PURSUANT TO ANY OTHER ACT OF THE GENERAL ASSEMBLY: PROVIDED,
27 HOWEVER, THAT INVESTMENT AND INTEREST EARNINGS ON MONEYS FROM
28 THIS FUND MAY BE USED BY THE AGENCY FOR THE ADMINISTRATIVE COSTS
29 OF THE PROGRAM.

30 SECTION 409-C. INSUFFICIENT FUNDS.--THE PROVISIONS OF THIS

1 ARTICLE SHALL NOT BE APPLICABLE TO ANY MORTGAGE WHICH BECOMES
2 DELINQUENT AT ANY TIME WHEN THE AGENCY DOES NOT HAVE MONEY
3 CURRENTLY AVAILABLE IN THE HOMEOWNER'S EMERGENCY MORTGAGE
4 ASSISTANCE FUND TO APPROVE APPLICATIONS FOR EMERGENCY MORTGAGE
5 ASSISTANCE OR TO CONTINUE MAKING ASSISTANCE PAYMENTS ON BEHALF
6 OF MORTGAGORS PREVIOUSLY APPROVED. THE STATE TREASURER SHALL
7 HAVE THE DUTY TO ADVISE THE AGENCY NOT LESS FREQUENTLY THAN ONCE
8 EACH CALENDAR QUARTER OF THE AMOUNT AVAILABLE FOR THE PURPOSES
9 OF THIS ARTICLE. IN THE EVENT THAT THE FUNDS AVAILABLE TO THE
10 AGENCY IN THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE FUND FOR
11 PURPOSES OF THIS ARTICLE BECOME INSUFFICIENT TO APPROVE
12 APPLICATION FOR EMERGENCY MORTGAGE ASSISTANCE, OR TO CONTINUE
13 MAKING ASSISTANCE PAYMENTS ON BEHALF OF MORTGAGORS PREVIOUSLY
14 APPROVED, THE AGENCY SHALL IMMEDIATELY PUBLISH AN ANNOUNCEMENT
15 TO THAT EFFECT AND MORTGAGEES SHALL NO LONGER BE SUBJECT TO THE
16 PROVISIONS OF THIS ARTICLE AND MORTGAGEES MAY AT ANY TIME
17 THEREAFTER TAKE LEGAL ACTION TO ENFORCE THE MORTGAGE WITHOUT ANY
18 FURTHER RESTRICTION OR REQUIREMENT UNDER THIS ARTICLE.

19 SECTION 410-C. FUNDING.--(A) FOR PURPOSES OF THIS SECTION, <—
20 "BUSINESS FIRM" MEANS ANY BUSINESS ENTITY AUTHORIZED TO DO
21 BUSINESS IN THE COMMONWEALTH AND SUBJECT TO THE CORPORATE NET
22 INCOME TAX ACT OR A BANK, BANK AND TRUST COMPANY, INSURANCE
23 COMPANY, TRUST COMPANY, NATIONAL BANK, SAVINGS ASSOCIATION,
24 MUTUAL SAVINGS BANK OR BUILDING AND LOAN ASSOCIATION.

25 (B) IT IS HEREBY DECLARED TO BE THE PUBLIC POLICY OF THE
26 COMMONWEALTH OF PENNSYLVANIA TO ENCOURAGE CONTRIBUTIONS BY
27 BUSINESS FIRMS TO THE HOMEOWNERS EMERGENCY MORTGAGE ASSISTANCE
28 FUND CREATED BY THIS ARTICLE.

29 (C) ANY BUSINESS FIRM WHICH CONTRIBUTES TO THE FUND SHALL
30 RECEIVE A TAX CREDIT AS PROVIDED IN SUBSECTION (D). THE TOTAL

1 AMOUNT OF TAX CREDITS GRANTED UNDER THIS SECTION FOR THE FIRST
2 FISCAL YEAR SHALL NOT EXCEED FIFTEEN MILLION DOLLARS NOR SHALL
3 THE TOTAL AMOUNT OF TAX CREDITS GRANTED FOR FISCAL YEARS 1984-
4 1985, 1985-1986 OR 1986-1987 EXCEED FIFTEEN MILLION DOLLARS IN
5 ANY FISCAL YEAR.

6 (D) THE DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT
7 AGAINST ANY TAX DUE UNDER ARTICLES IV, V, VII, VIII, XV AND XVI
8 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
9 REFORM CODE OF 1971, OR AGAINST ANY TAX DUE FROM AN INSURANCE
10 COMPANY OTHER THAN A FOREIGN FIRE CASUALTY INSURANCE COMPANY. A
11 TAX CREDIT OF UP TO SEVENTY (70) PERCENT MAY BE ALLOWED.
12 CONTRIBUTIONS TO THE FUND AND ANY TAX CREDIT PURSUANT THERETO
13 NOT USED IN THE PERIOD IN WHICH THE CONTRIBUTION WAS MADE MAY BE
14 CARRIED OVER FOR THE NEXT SUCCEEDING CALENDAR OR FISCAL YEAR
15 UNTIL THE FULL CONTRIBUTION HAS BEEN USED OR THE FULL CREDIT HAS
16 BEEN ALLOWED; PROVIDED THAT THE TOTAL AMOUNT OF ALL TAX CREDITS
17 ALLOWED PURSUANT TO THIS SECTION SHALL NOT EXCEED THE
18 LIMITATIONS PROVIDED FOR IN SUBSECTION (C). THE AGENCY MAY
19 PROVIDE FOR PROPORTIONAL CREDIT IN THE EVENT THAT TOTAL CREDITS
20 SOUGHT EXCEED FIFTEEN MILLION DOLLARS IN EACH OF THE FISCAL
21 YEARS. NOTWITHSTANDING THE PROVISIONS OF THE ACT OF NOVEMBER 29,
22 1967 (P.L.636, NO.292), KNOWN AS THE NEIGHBORHOOD ASSISTANCE
23 ACT, THE TOTAL AMOUNT OF TAX CREDITS GRANTED UNDER THAT ACT
24 SHALL NOT EXCEED THREE MILLION SEVEN HUNDRED FIFTY THOUSAND
25 DOLLARS FOR THE FISCAL YEAR 1983-1984 AND ONE MILLION SEVEN
26 HUNDRED FIFTY THOUSAND DOLLARS IN EACH OF THE FISCAL YEARS 1984-
27 1985, 1985-1986 AND 1986-1987.

28 (E) THE SUM OF FIVE MILLION DOLLARS OR AS MUCH AS MAY BE
29 NECESSARY IS HEREBY APPROPRIATED FROM THE GENERAL FUND TO THE
30 FUND CREATED BY SECTION 408-C OF THIS ARTICLE TO PROVIDE STARTUP

1 FUNDING. THE AGENCY SHALL REIMBURSE THE GENERAL FUND FOR THE
2 AMOUNT OF SUCH APPROPRIATION ON OR BEFORE JUNE 30, 1985.

3 SECTION 3. ASSISTANCE UNDER THIS ACT SHALL EXTEND TO ALL <—
4 MORTGAGEES SECURED BY A MORTGAGE ON THE SUBJECT PROPERTY.

5 SECTION ~~3~~ 4. THIS ACT, OTHER THAN THE PROVISIONS CONTAINED <—
6 IN SECTIONS 405-C(G) AND 406-C, SHALL EXPIRE ~~TWO~~ THREE YEARS <—
7 FROM THE EFFECTIVE DATE OF THIS ACT, EXCEPT THAT MORTGAGE <—
8 ASSISTANCE SHALL CONTINUE TO BE MADE AVAILABLE TO MORTGAGORS WHO
9 WERE DEEMED ELIGIBLE FOR MORTGAGE ASSISTANCE PRIOR TO THE
10 EXPIRATION OF THIS ACT IN ACCORDANCE WITH THE TERMS OF THIS ACT.

11 SECTION ~~4~~ 5. THIS ACT SHALL TAKE EFFECT IMMEDIATELY UPON THE <—
12 INITIAL PROVISION OF MONEY TO THE HOMEOWNER'S EMERGENCY
13 ASSISTANCE FUND THROUGH APPROPRIATIONS BY THE GENERAL ASSEMBLY.