

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2779 Session of
1992

INTRODUCED BY JAMES, BATTISTO, PRESTON, ACOSTA, KING, HALUSKA,
SERAFINI, BILLOW, MELIO, KOSINSKI, WILLIAMS, JOSEPHS, TRELLO,
CARN, STURLA, HARLEY, LAUGHLIN, PETRONE, HAYDEN, RIEGER,
MAIALE, DONATUCCI, OLIVER, THOMAS, BISHOP, COHEN, HUGHES,
RICHARDSON, ROBINSON, HARPER AND MCGEEHAN, MAY 20, 1992

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 16, 1992

AN ACT

1 Allocating a percentage of the net proceeds from all unclaimed
2 funds from sheriffs' sales of residential real property to
3 the Pennsylvania Housing Finance Agency for the purpose of
4 assisting potential homebuyers with the financing and
5 purchase of homes at sheriffs' sales.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Sheriffs'
10 Sales Homeownership Assistance Act.

11 Section 2. Declaration of purpose.

12 The General Assembly declares the following to be the
13 purposes of this act:

14 (1) To assist potential homeowners with the financing,
15 purchase and improvement of a home.

16 (2) To recognize that homeownership is a privilege which
17 should not be reserved solely for the wealthy but should be

1 available to working and middle class families who seek the
2 joy and comfort which come with homeownership.

3 (3) To enhance the programs of the Pennsylvania Housing
4 Finance Agency which ~~are geared to~~ INCLUDE assisting families <—
5 with the purchase of homes.

6 Section 3. Definitions.

7 The following words and phrases when used in this act shall
8 have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "Agency." The Pennsylvania Housing Finance Agency of the
11 Commonwealth.

12 "Fund." The Sheriffs' Sales Homeownership Assistance Fund.

13 "Program." The Sheriffs' Sales Homeownership Assistance
14 Program.

15 "Unclaimed funds." Funds acquired by a sheriff's sale of
16 real property within this Commonwealth exceeding outstanding
17 debt which is left unclaimed by the owner and reverting to the
18 General Fund in accordance with section 1301 et seq. of the act
19 of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

20 Section 4. Sheriffs' Sales Homeownership Assistance Fund.

21 Fifty percent of all unclaimed funds from the sale of
22 residential real property by sheriffs in this Commonwealth shall
23 be deposited in the Sheriffs' Sales Homeownership Assistance
24 Fund, which is hereby created. Moneys in the fund shall be held
25 in a separate account in the State Treasury and shall be used by
26 the agency for the purpose of assisting potential sheriffs' sale
27 owner-occupied homebuyers with the financing, purchase and
28 improvement of a home.

29 Section 5. Sheriffs' Sales Homeownership Program.

30 The agency shall use moneys in the fund for the Sheriffs'

1 Sales Homeownership Program, which is hereby created. The
2 program will consist of loan guarantees OR OTHER CREDIT <—
3 ENHANCEMENT offered by the agency for the purpose of assisting
4 families in this Commonwealth with the purchase and improvement
5 of homes SOLD at sheriffs' sales. The agency may make advances <—
6 or provide other means of guaranteed payment from the fund to
7 qualified ~~loan organizations~~ LENDERS for the purpose of <—
8 guaranteeing, endorsing or acting as surety on mortgages and
9 home improvement loans on such terms and conditions and
10 according to such regulations OR GUIDELINES as the agency shall <—
11 prescribe consistent with the purposes of this act.

12 Section 6. Rules and procedures.

13 (a) Regulations OR GUIDELINES.--The agency shall have the <—
14 authority to promulgate regulations to govern and administer
15 mortgage and home improvement loan guarantees, CREDIT <—
16 ENHANCEMENT OR HOME IMPROVEMENT LOANS from the fund to qualified
17 low-income or moderate-income buyers for the purchase of owner-
18 occupied residential housing at sheriffs' sales or the
19 improvement of owner-occupied residential real property
20 purchased at sheriffs' sales.

21 (b) Distribution of funds.--The agency shall distribute the
22 moneys in the fund in direct proportion to the county of their
23 origin.

24 (c) Mortgage guarantees.--Mortgage guarantees administered
25 under the auspices of the program may not exceed the lesser of
26 actual purchase price or appraised value of the real property.

27 (d) Home improvement LOANS AND loan guarantees.-- <—

28 (1) Home improvement LOANS AND loan guarantees <—
29 administered under the auspices of this program shall be used
30 solely for ~~structural~~ improvements designed to assure <—

1 compliance with United States Federal Housing Administration
2 standards for safe dwellings or similar regulations
3 promulgated by the agency.

4 (2) Necessary ~~structural~~ improvements shall be <—
5 determined through the inspection of the applicable residence
6 by an inspector qualified by the agency to perform such
7 inspections.

8 ~~(3) Home improvement loan guarantees administered under <—~~
9 ~~the auspices of this program may not exceed the lesser of at~~
10 ~~least two competitive bids for structural improvements as~~
11 ~~determined in paragraph (2).~~

12 (E) OTHER AGENCY PROGRAMS.--THE AGENCY SHALL ATTEMPT, TO THE <—
13 FULLEST EXTENT POSSIBLE, TO INTEGRATE THIS PROGRAM WITH ITS
14 OTHER HOMEOWNERSHIP PROGRAMS TO ENHANCE THE SUCCESS OF ALL
15 HOMEOWNERSHIP EFFORTS.

16 (F) ADMINISTRATIVE EXPENSE.--INVESTMENT AND INTEREST
17 EARNINGS ON MONEYS IN THE FUND MAY BE USED BY THE AGENCY TO
18 COVER THE ADMINISTRATIVE COSTS OF THE PROGRAM.

19 Section 7. Applicability.

20 This act shall apply to sheriffs' sales of residential real
21 property conducted on or after July 1 of the calendar year
22 following the effective date of this act.

23 Section 8. Effective date.

24 This act shall take effect in 60 days.