
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1476 Session of
1998

INTRODUCED BY WILLIAMS, KITCHEN, COSTA, AFFLERBACH, SCHWARTZ AND
HUGHES, JUNE 12, 1998

REFERRED TO URBAN AFFAIRS AND HOUSING, JUNE 12, 1998

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

(3) To enhance the programs of the Pennsylvania Housing Finance Agency which are geared to assisting families with the purchase of homes.

Section 3. Definitions.

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

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

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

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

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

Section 4. Sheriffs' Sales Homeownership Assistance Fund.

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

Section 5. Sheriffs' Sales Homeownership Program.

The agency shall use moneys in the fund for the Sheriffs' Sales Homeownership Program, which is hereby created. The program will consist of loan guarantees offered by the agency

1 for the purpose of assisting families in this Commonwealth with
2 the purchase and improvement of homes at sheriffs' sales. The
3 agency may make advances or provide other means of guaranteed
4 payment from the fund to qualified loan organizations for the
5 purpose of guaranteeing, endorsing or acting as surety on
6 mortgages and home improvement loans on such terms and
7 conditions and according to such regulations as the agency shall
8 prescribe consistent with the purposes of this act.

9 Section 6. Rules and procedures.

10 (a) Regulations.--The agency shall have the authority to
11 promulgate regulations to govern and administer mortgage and
12 home improvement loan guarantees from the fund to qualified low-
13 income or moderate-income buyers for the purchase of owner-
14 occupied residential housing at sheriffs' sales or the
15 improvement of owner-occupied residential real property
16 purchased at sheriffs' sales.

17 (b) Distribution of funds.--The agency shall distribute the
18 moneys in the fund in direct proportion to the county of their
19 origin.

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

23 (d) Home improvement loan guarantees.--

24 (1) Home improvement loan guarantees administered under
25 the auspices of this program shall be used solely for
26 structural improvements designed to assure compliance with
27 United States Federal Housing Administration standards for
28 safe dwellings or similar regulations promulgated by the
29 agency.

30 (2) Necessary structural improvements shall be

1 determined through the inspection of the applicable residence
2 by an inspector qualified by the agency to perform such
3 inspections.

4 (3) Home improvement loan guarantees administered under
5 the auspices of this program may not exceed the lesser of at
6 least two competitive bids for structural improvements as
7 determined in paragraph (2).

8 Section 7. Applicability.

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

12 Section 8. Effective date.

13 This act shall take effect in 60 days.