

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1455 Session of
2000

INTRODUCED BY WILLIAMS, MAY 17, 2000

REFERRED TO URBAN AFFAIRS AND HOUSING, MAY 17, 2000

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; and establishing the
6 Sheriffs' Sales Homeownership Assistance Fund and the
7 Sheriffs' Sales Homeownership Assistance Program.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Short title.

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

13 Section 2. Declaration of purpose.

14 The General Assembly declares the following to be the
15 purposes of this act:

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

18 (2) To recognize that homeownership is a privilege which
19 should not be reserved solely for the wealthy but should be
20 available to working and middle class families who seek the

1 joy and comfort which come with homeownership.

2 (3) To enhance the programs of the Pennsylvania Housing
3 Finance Agency which include assisting families with the
4 purchase of homes.

5 Section 3. Definitions.

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

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

11 "Fund." The Sheriffs' Sales Homeownership Assistance Fund
12 established in section 4.

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 13.1 of the act of April
19 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 established. Moneys in the fund shall be
25 held in a separate account in the State Treasury and shall be
26 used by the agency for the purpose of assisting potential
27 sheriffs' sale owner-occupied homebuyers with the financing,
28 purchase and 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 established. 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 lenders for the purpose of guaranteeing, endorsing or
8 acting as surety on mortgages and home improvement loans on such
9 terms and conditions and according to regulations the agency
10 shall prescribe consistent with the purposes of this act.

11 Section 6. Rules and procedures.

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

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

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

26 (d) Home improvement loans and loan guarantees.--

27 (1) Home improvement loans and loan guarantees
28 administered under the auspices of this program shall be used
29 solely for improvements designed to assure compliance with
30 United States Federal Housing Administration standards for

safe dwellings or similar regulations promulgated by the agency.

(2) Necessary improvements shall be determined through the inspection of the applicable residence by an inspector qualified by the agency to perform such inspections.

(e) Other agency programs.--The agency shall attempt, to the fullest extent possible, to integrate this program with its other homeownership programs to enhance the success of all homeownership efforts.

(f) Administrative expense.--Investment and interest earnings on moneys in the fund may be used by the agency to cover the administrative costs of the program.

Section 7. Applicability.

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

Section 8. Effective date.

This act shall take effect in 60 days.