

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 474**      Session of  
2007

INTRODUCED BY WONDERLING, PIPPY, WAUGH, FONTANA, D. WHITE,  
BOSCOLA, KITCHEN, ROBBINS, C. WILLIAMS, STOUT, ERICKSON,  
RAFFERTY, TOMLINSON, FERLO, COSTA, GREENLEAF, MUSTO, REGOLA,  
ORIE, GORDNER, EARLL, RHOADES, O'PAKE AND LOGAN,  
MARCH 15, 2007

REFERRED TO URBAN AFFAIRS AND HOUSING, MARCH 15, 2007

AN ACT

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  
11 powers and duties and the manner in which its funds are kept  
12 and audited, empowering the agency to make housing loans to  
13 qualified mortgagors upon the security of insured and  
14 uninsured mortgages, defining qualified mortgagors and  
15 providing for priorities among tenants in certain instances,  
16 prescribing interest rates and other terms of housing loans,  
17 permitting the agency to acquire real or personal property,  
18 permitting the agency to make agreements with financial  
19 institutions and Federal agencies, providing for the purchase  
20 by persons of low and moderate income of housing units, and  
21 approving the sale of housing units, permitting the agency to  
22 sell housing loans, providing for the promulgation of  
23 regulations and forms by the agency, prescribing penalties  
24 for furnishing false information, empowering the agency to  
25 borrow money upon its own credit by the issuance and sale of  
26 bonds and notes and by giving security therefor, permitting  
27 the refunding, redemption and purchase of such obligations by  
28 the agency, prescribing remedies of holders of such bonds and  
29 notes, exempting bonds and notes of the agency, the income  
30 therefrom, and the income and revenues of the agency from  
31 taxation, except transfer, death and gift taxes; making such

1 bonds and notes legal investments for certain purposes; and  
2 indicating how the act shall become effective," establishing  
3 the Firefighter Mortgage Assistance Program.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. The act of December 3, 1959 (P.L.1688, No.621),  
7 known as the Housing Finance Agency Law, is amended by adding an  
8 article to read:

9 ARTICLE IV-D

10 FIREFIGHTER MORTGAGE ASSISTANCE PROGRAM

11 Section 401-D. Definitions.

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

15 "Applicant." A firefighter who applies for a grant or loan  
16 under the Firefighters Mortgage Assistance Program established  
17 in section 402-D for the purpose of financing the purchase of  
18 residential property.

19 "Firefighter." A person who provides services, without  
20 receipt of remuneration for those services as either of the  
21 following:

22 (1) A volunteer member of a fire company, organized and  
23 existing under the laws of this Commonwealth.

24 (2) A volunteer member of any fire police unit, rescue  
25 squad, ambulance corps or other like organization affiliated  
26 with one or more fire companies.

27 The term includes a person who is a member of such a fire  
28 company or affiliated organization and who participates in the  
29 fire service without receipt of remuneration for that  
30 participation.

31 "Participating municipality." A city, township, borough or

1 incorporated town that, by resolution of its legislative body,  
2 elects to participate in the Firefighter Mortgage Assistance  
3 Program established in section 402-D.

4 "Program." The Firefighter Mortgage Assistance Program  
5 established under section 402-D.

6 "Residential property." A single-family residence or unit  
7 located in a participating municipality.

8 Section 402-D. Establishment of program.

9 The agency shall develop and, in cooperation with  
10 participating municipalities, administer a program, to be known  
11 as the Firefighter Mortgage Assistance Program, to encourage  
12 firefighters to purchase and live in residential property in the  
13 municipalities in which they serve. Under the program, the  
14 agency shall provide grants of up to \$5,000 or low-interest  
15 loans to firefighters for the purchase of residential property  
16 in such municipalities, in accordance with the provisions of  
17 this article. The agency shall provide not more than \$10,000,000  
18 for the program. With regard to a grant issued under the  
19 program, after each year of service following the purchase of  
20 the home, \$1,000 will be credited towards the grant, whereby  
21 after five years, the grant shall be forgiven.

22 Section 403-D. Eligibility.

23 (a) General rule.--Subject to the provisions of subsection  
24 (b), an applicant who seeks assistance under this article must:

25 (1) Be a firefighter.

26 (2) Certify intent to use the grant or loan funds in  
27 connection with the purchase of residential property located  
28 in the municipality in which the applicant volunteers.

29 (3) Certify intent to own and reside at the residential  
30 property on a permanent and full-time basis for at least five

1       years.

2       (b) Limitation.--No firefighter shall be eligible under this  
3 article for more than one outstanding grant or mortgage loan at  
4 a time, and no person shall be eligible to receive a second  
5 grant or mortgage loan on a residential property already  
6 mortgaged by the firefighter. Preference shall be given in  
7 making grants and loans to volunteer firefighters who are  
8 applying to acquire or construct a first residential property.

9 Section 404-D. Enforcement of residency requirement.

10       The agency may enforce the five-year residency agreement set  
11 forth in section 403-D(a)(3) through the use of restrictive  
12 mortgage covenants, deed restrictions or other penalties deemed  
13 appropriate by the agency to accomplish the legislative purpose  
14 of encouraging firefighters to purchase a residential property  
15 and reside in the municipality in which they volunteer.

16 Section 405-D. Occupancy requirement.

17       (a) General rule.--A firefighter who receives a grant or  
18 loan under this article shall, within 120 days of the date on  
19 which the grant or loan is made, occupy the residence as the  
20 firefighter's principal dwelling place.

21       (b) Effect of resignation and sale.--If a firefighter who  
22 receives a grant resigns from employment, sells or ceases to  
23 occupy the residence as the volunteer firefighter's principal  
24 residence, the amount of the grant remaining unforgiven in  
25 accordance with section 402-D shall be repaid to the agency on  
26 the 120th day following that action.

27 Section 406-D. Bonds and notes.

28       The agency shall borrow money for the operation and  
29 administration of the program by the making of notes and by the  
30 issuance of bonds in accordance with the provisions of Article

1 V.

2 Section 407-D. Regulations.

3 The agency shall promulgate regulations to carry out the  
4 provisions of this article.

5 Section 2. This act shall take effect in 60 days.