PRINTER'S NO. 3341

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 661 Session of 2012

INTRODUCED BY THOMAS, BARBIN, V. BROWN, BROWNLEE, D. COSTA, DAVIS, DAVIDSON, GEORGE, JOSEPHS, KIRKLAND, KORTZ, KOTIK, MYERS, M. O'BRIEN, PASHINSKI, PAYTON, PRESTON, WATERS, WHEATLEY AND McGEEHAN, APRIL 3, 2012

REFERRED TO COMMITTEE ON APPROPRIATIONS, APRIL 3, 2012

A RESOLUTION

Urging the Office of Attorney General to use the $69 million being allocated to that office from the national mortgage settlement for housing initiatives.

WHEREAS, Forty-eight states, including Pennsylvania, have been involved in litigation relating to unfair lending practices exposed after the housing bubble burst; and

WHEREAS, On February 9, 2012, a $25 billion joint Federal-state settlement agreement with the nation's five largest mortgage servicers, Ally/GMAC, Bank of America, Citi, J.P. Morgan Chase and Wells Fargo, was reached over "robo-signing" and other foreclosure and mortgage servicing abuses; and

WHEREAS, Of the $25 billion settlement, the Commonwealth is expected to receive an estimated $264 million, which will be allocated in the following way: $93 million for loan modifications and direct relief; $21 million for cash payments to homeowners who suffered foreclosure due to fraudulent mortgage practices occurring between January 1, 2008, and

December 31, 2011; $81 million to refinance loans for homeowners; and $69 million to the Office of Attorney General; and

WHEREAS, The moneys received by the Commonwealth under the settlement agreement will provide critical relief to Pennsylvania residents who were victims of abusive foreclosure practices and provide future protections for homeowners to correct many of the problems that contributed to the mortgage and foreclosure crisis across the country; and

WHEREAS, The settlement agreement holds mortgage servicers accountable for past mortgage servicing and foreclosure abuses and provides relief to homeowners; and

WHEREAS, The settlement agreement also creates an important set of mortgage servicing standards intended to protect homeowners and an independent monitor who will report to the Attorney General to ensure compliance by mortgage servicers; provides the ability for the government to pursue a number of claims that are preserved under the settlement; and preserves the right of borrowers and investors, such as pension funds, to pursue individual, institutional or class action cases, regardless of the terms of the settlement agreement; and

WHEREAS, The $69 million received by the Office of Attorney General should be used for housing initiatives in the following manner: $25 million to reinstate and fund the Homeowners Emergency Mortgage Assistance Program; $10 million to fund the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program; $27.1 million for housing and development assistance and $6.9 million for investigation expense reimbursement to the Office of Attorney General; therefore be it

RESOLVED, That the House of Representatives urge the Office

of Attorney General to use the funds being allocated to that office from the national mortgage settlement for education and housing initiatives.