

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL****No. 2107** Session of  
2018

INTRODUCED BY WHEATLEY, FEBRUARY 28, 2018

REFERRED TO COMMITTEE ON URBAN AFFAIRS, FEBRUARY 28, 2018

## AN ACT

1 Amending the act of December 3, 1959 (P.L.1688, No.621),  
2 entitled "An act to promote the health, safety and welfare of  
3 the people of the Commonwealth by broadening the market for  
4 housing for persons and families of low and moderate income  
5 and alleviating shortages thereof, and by assisting in the  
6 provision of housing for elderly persons through the creation  
7 of the Pennsylvania Housing Finance Agency as a public  
8 corporation and government instrumentality; providing for the  
9 organization, membership and administration of the agency,  
10 prescribing its general powers and duties and the manner in  
11 which its funds are kept and audited, empowering the agency  
12 to make housing loans to qualified mortgagors upon the  
13 security of insured and uninsured mortgages, defining  
14 qualified mortgagors and providing for priorities among  
15 tenants in certain instances, prescribing interest rates and  
16 other terms of housing loans, permitting the agency to  
17 acquire real or personal property, permitting the agency to  
18 make agreements with financial institutions and Federal  
19 agencies, providing for the purchase by persons of low and  
20 moderate income of housing units, and approving the sale of  
21 housing units, permitting the agency to sell housing loans,  
22 providing for the promulgation of regulations and forms by  
23 the agency, prescribing penalties for furnishing false  
24 information, empowering the agency to borrow money upon its  
25 own credit by the issuance and sale of bonds and notes and by  
26 giving security therefor, permitting the refunding,  
27 redemption and purchase of such obligations by the agency,  
28 prescribing remedies of holders of such bonds and notes,  
29 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  
32 bonds and notes legal investments for certain purposes; and  
33 indicating how the act shall become effective," providing for  
34 the Student Loan Home Buy Program; and establishing the  
35 Student Loan Home Buy Fund.

1 The General Assembly of the Commonwealth of Pennsylvania  
2 hereby enacts as follows:

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

6 ARTICLE IV-E

7 STUDENT LOAN HOME BUY PROGRAM

8 Section 401-E. Definitions.

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

12 "Fund." The Student Loan Home Buy Fund established in  
13 section 404-E.

14 "Program." The Student Loan Home Buy Program established in  
15 section 402-E.

16 Section 402-E. Establishment.

17 There is established the Student Loan Home Buy Program to be  
18 administered by the agency. The program shall be dependent on  
19 the availability of money allocated or appropriated to the  
20 program.

21 Section 403-E. Program.

22 (a) Authorization.--The agency may make, participate in  
23 making and undertake a commitment for financial assistance under  
24 the program to a homeowner and make payments on the homeowner's  
25 student loan debt in conjunction with the homeowner obtaining  
26 separate financial assistance from a source other than the  
27 agency for purchasing the homeowner's primary residence.

28 (b) Financial assistance.--

29 (1) Financial assistance for the homeowner's student  
30 loan debt under the program shall be:

1           (i) Available for homeowners with a student loan  
2           debt which shall not be less than \$1,000 and which shall  
3           not exceed 15% of the home purchase price.

4           (ii) Provided in the form of a 0% loan that is  
5           forgiven at a rate of 20% annually for five years. If the  
6           homeowner sells or refinances within the first five years  
7           of receiving financial assistance under the program, the  
8           homeowner shall pay the remaining balance of the  
9           financial assistance back to the agency.

10          (2) The board shall determine the terms and  
11          qualifications for financial assistance under the program.

12 Section 404-E. Fund.

13          (a) Establishment.--The Student Loan Home Buy Fund is  
14          established in the State Treasury.

15          (b) Earnings.--Interest and any other earnings in the fund  
16          shall remain in the fund.

17          (c) Deposits.--All money allocated or appropriated to the  
18          program and revenue earned through the sale of property under  
19          subsection (d) shall be deposited into the fund.

20          (d) Sale of residential property.--To provide financial  
21          assistance under the program, the agency shall sell residential  
22          property that is included in the agency's real estate portfolio.

23          (e) Appropriations.--Program money in the fund and the  
24          interest accruing on the fund are hereby appropriated to the  
25          agency on a continuing basis to carry out the provisions of this  
26          article.

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