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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2868 Session of  
2020

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INTRODUCED BY HELM, CALTAGIRONE, BARRAR, BOBACK, DRISCOLL,  
McNEILL, MOUL, SCHLOSSBERG, SOLOMON AND YOUNGBLOOD,  
SEPTEMBER 15, 2020

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REFERRED TO COMMITTEE ON URBAN AFFAIRS, SEPTEMBER 15, 2020

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AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled  
2 "An act relating to the finances of the State government;  
3 providing for cancer control, prevention and research, for  
4 ambulatory surgical center data collection, for the Joint  
5 Underwriting Association, for entertainment business  
6 financial management firms, for private dam financial  
7 assurance and for reinstatement of item vetoes; providing for  
8 the settlement, assessment, collection, and lien of taxes,  
9 bonus, and all other accounts due the Commonwealth, the  
10 collection and recovery of fees and other money or property  
11 due or belonging to the Commonwealth, or any agency thereof,  
12 including escheated property and the proceeds of its sale,  
13 the custody and disbursement or other disposition of funds  
14 and securities belonging to or in the possession of the  
15 Commonwealth, and the settlement of claims against the  
16 Commonwealth, the resettlement of accounts and appeals to the  
17 courts, refunds of moneys erroneously paid to the  
18 Commonwealth, auditing the accounts of the Commonwealth and  
19 all agencies thereof, of all public officers collecting  
20 moneys payable to the Commonwealth, or any agency thereof,  
21 and all receipts of appropriations from the Commonwealth,  
22 authorizing the Commonwealth to issue tax anticipation notes  
23 to defray current expenses, implementing the provisions of  
24 section 7(a) of Article VIII of the Constitution of  
25 Pennsylvania authorizing and restricting the incurring of  
26 certain debt and imposing penalties; affecting every  
27 department, board, commission, and officer of the State  
28 government, every political subdivision of the State, and  
29 certain officers of such subdivisions, every person,  
30 association, and corporation required to pay, assess, or  
31 collect taxes, or to make returns or reports under the laws  
32 imposing taxes for State purposes, or to pay license fees or  
33 other moneys to the Commonwealth, or any agency thereof,

1 every State depository and every debtor or creditor of the  
2 Commonwealth," in Pennsylvania Housing Finance Agency,  
3 further providing for definitions and for mortgage and rental  
4 assistance program.

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

7 Section 1. Sections 190-C and 191-C of the act of April 9,  
8 1929 (P.L.343, No.176), known as The Fiscal Code, added May 29,  
9 2020 (P.L.186, No.24), are amended to read:

10 Section 190-C. Definitions.

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

14 "Agency." The Pennsylvania Housing Finance Agency.

15 "Eligible landlord." An individual or entity owning a place  
16 of residence that leases the residence to an individual and that  
17 experienced a loss of rental income because the lessee became  
18 unemployed after March 1, 2020, or the lessee had their annual  
19 household income reduced by 30% or more due to reduced work  
20 hours and wages related to COVID-19. [The loss of rental income  
21 must be at least 30 days past due.]

22 "Lessee." An individual who leases a place of residence in  
23 which the individual will permanently reside.

24 "Program." The COVID Relief - Mortgage and Rental Assistance  
25 Grant Program established under section 1919-C(a).

26 Section 191-C. COVID Relief - Mortgage and Rental Assistance  
27 Grant Program.

28 (a) Establishment of program.--The agency shall establish  
29 the COVID Relief - Mortgage and Rental Assistance Grant Program.

30 (b) Purpose of the program.--The program shall receive  
31 applications from lessees, landlords, mortgagees and mortgagors  
32 and award grants to eligible landlords and mortgagees in

1 accordance with this act.

2 (c) Use of funds.--Money appropriated to the Pennsylvania  
3 Housing Finance Agency for COVID Relief - Mortgage and Rental  
4 Assistance shall be used to make grants under this subarticle.

5 (d) Allocation.--The agency shall allocate a minimum of  
6 \$150,000,000 of the funds received for use under this subarticle  
7 for rental assistance grants.

8 (e) Guidelines.--The agency shall establish guidelines that  
9 are consistent with the provisions of this subarticle within 30  
10 days of the effective date of this section. The guidelines shall  
11 be:

12 (1) submitted to the Legislative Reference Bureau for  
13 publication in the Pennsylvania Bulletin; and

14 (2) posted on the agency's publicly accessible Internet  
15 website.

16 (f) [(Reserved).] Administrative fee.--The agency may  
17 utilize, to cover costs associated with the administration of  
18 the program, an amount not to exceed the lesser of 5% of the  
19 money appropriated for COVID Relief - Mortgage and Rental  
20 Assistance or the actual costs of administering the program.

21 (g) Program requirements.--The following shall apply:

22 (1) An eligible lessee, mortgagor, landlord or mortgagee  
23 shall submit to the agency the name of the lessee or  
24 mortgagor from whom rental or mortgage payments are sought,  
25 along with any additional information deemed necessary by the  
26 agency to carry out the agency's responsibilities under this  
27 section.

28 (2) Assistance may be awarded to lessors or mortgagees  
29 on behalf of lessees or mortgagors who became unemployed  
30 after March 1, 2020, or had their annual household income

1 reduced by 30% or more due to reduced work hours and wages  
2 related to COVID-19.

3 (3) The agency shall develop an application for eligible  
4 lessees, mortgagors, landlords or mortgagees to apply for  
5 assistance under this section within 30 days of the effective  
6 date of this section. The application shall include an  
7 attestation by the landlord or mortgagee releasing the lessee  
8 or mortgagor of any [remaining obligation for] fee or penalty  
9 for any past due or future rent or mortgage payment for which  
10 the agency pays the landlord or mortgagee. The application  
11 shall be made available and posted on the agency's publicly  
12 accessible Internet website and be in a form that can be  
13 completed and returned by the lessee, mortgagor, landlord or  
14 mortgagee electronically or through the United States mail.  
15 The deadline for submitting applications to the agency shall  
16 be [September 30,] October 31, 2020.

17 (4) The agency shall verify the name of the lessee or  
18 mortgagor with the Department of Labor and Industry's Bureau  
19 of Unemployment Compensation to ensure the lessee or  
20 mortgagor became unemployed after March 1, 2020.

21 (5) The agency shall require any applicant seeking  
22 assistance based on reduced work hours or wages related to  
23 the coronavirus pandemic to submit information verifying such  
24 information.

25 (6) The agency shall make payments only to lessors or  
26 mortgagees.

27 (7) The agency shall make payments only on behalf of  
28 households with an annualized current income of no more than  
29 the upper limit of "median income" as defined in guidelines  
30 published annually by the United States Department of Housing

1 and Urban Development.

2 (8) The agency shall notify each lessee or mortgagor of  
3 the amount of payment made to the landlord or mortgagee on  
4 the lessee's or mortgagor's behalf.

5 (9) The agency shall make payments as follows:

6 (i) For rental assistance, an amount equal to 100%  
7 of the lessee's monthly rent, not to exceed [\$750 per  
8 month,] 130% of the fiscal year 2020 fair market rent for  
9 a two-bedroom unit in the local area for Pennsylvania as  
10 determined by the United States Department Housing and  
11 Urban Development, for each month for which assistance is  
12 sought for a maximum of six months. Payments shall be  
13 made no later than November 30, 2020.

14 (ii) For mortgage assistance, an amount equal to  
15 100% of the mortgagor's monthly mortgage, not to exceed  
16 [\$1,000] \$1,500 per month, for each month for which  
17 assistance is sought for a maximum of six months.  
18 Payments shall be made no later than November 30, 2020.

19 (iii) In addition to any payment under subparagraph  
20 (i), a landlord who agrees to release the lessee of any  
21 remaining obligation for past due or future rent for all  
22 the months which the agency pays the landlord shall be  
23 entitled to an additional payment for each month equal to  
24 25% of the outstanding balance, not to exceed the  
25 remaining monthly rent or \$600, whichever is less. If the  
26 total rent is covered by the payment under subparagraph  
27 (i), a landlord shall not be eligible for an additional  
28 payment under this subparagraph.

29 (iv) In addition to any payment under subparagraph  
30 (ii), a mortgagee who agrees to release the mortgagor of

1 any remaining obligation for any past due or future  
2 mortgage payment for all the months which the agency pays  
3 the mortgagee, shall be entitled to an additional payment  
4 for each month equal to 25% of the outstanding balance,  
5 not to exceed the remaining monthly mortgage amount or  
6 \$600, whichever is less. If the total mortgage payment is  
7 covered by the payment under subparagraph (ii), a  
8 mortgagee shall not be eligible for an additional payment  
9 under this subparagraph.

10 (10) Notwithstanding any provision of law to the  
11 contrary, the following shall apply:

12 (i) A landlord who receives payments for a lessee  
13 under the program shall be required to offer the lessee a  
14 repayment plan for any rent obligation outstanding after  
15 payments received from the program are applied to the  
16 lessee's rent obligation. The repayment plan may not  
17 include any late fee or interest for the months in which  
18 rental assistance was provided through the program. A  
19 repayment plan under this subparagraph may not be less  
20 than 12 months or the number of months outstanding on a  
21 lessee's lease. If a lessee is renting under the month-  
22 to-month lease, the repayment plan term may not be less  
23 than 12 months.

24 (ii) A mortgagee who receives payments for a  
25 mortgagor under the program that are not sufficient to  
26 cure any outstanding obligation after payments received  
27 from the program are applied to the mortgagor's mortgage  
28 account shall assess the mortgagor's eligibility for  
29 possible loss mitigation options, as may be available  
30 under applicable investor or insurer guidelines.

1 (h) Report.--By December 31, 2020, the agency shall issue a  
2 report to the chairperson and minority chairperson of the  
3 Appropriations Committee of the Senate and the chairperson and  
4 minority chairperson of the Appropriations Committee of the  
5 House of Representatives and post the report on the agency's  
6 publicly accessible Internet website. The report shall include  
7 the following information:

8 (1) The total number of landlords who applied for  
9 assistance under this section.

10 (2) The total number of mortgagees who applied for  
11 assistance under this section.

12 (3) The total amount of assistance that was sought.

13 (4) The average amount of assistance that was applied  
14 for under this section.

15 (5) The average amount of assistance that was provided  
16 under this section.

17 (6) The total number of landlords and mortgagees who  
18 received assistance under this section by county.

19 (7) The value of payments made by the agency under this  
20 section by county.

21 Section 2. This act shall take effect immediately.