

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2868 Session of 2020

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

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 17, 2020

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

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

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

8 Section 1. Sections 190-C and 191-C of the act of April 9,
9 1929 (P.L.343, No.176), known as The Fiscal Code, added May 29,
10 2020 (P.L.186, No.24), are amended to read:

11 Section 190-C. Definitions.

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

15 "Agency." The Pennsylvania Housing Finance Agency.

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

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

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

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

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

31 (b) Purpose of the program.--The program shall receive
32 applications from lessees, landlords, mortgagees and mortgagors

1 and award grants to eligible landlords and mortgagees in
2 accordance with this act.

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

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

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

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

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

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

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

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

29 (2) Assistance may be awarded to lessors or mortgagees
30 on behalf of lessees or mortgagors who became unemployed

1 after March 1, 2020, or had their annual household income
2 reduced by 30% or more due to reduced work hours and wages
3 related to COVID-19.

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

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

22 (5) The agency shall require any applicant seeking
23 assistance based on reduced work hours or wages related to
24 the coronavirus pandemic to submit information verifying such
25 information. IF AN APPLICANT CANNOT PROVIDE ADEQUATE <--
26 DOCUMENTATION VERIFYING THE DECREASE, THE AGENCY MAY DEVELOP
27 A FORM THAT ALLOWS AN APPLICANT TO STATE UNDER PENALTY OF 18
28 PA.C.S. § 4904 (RELATING TO UNSWORN FALSIFICATION TO
29 AUTHORITIES) THAT THE APPLICANT EXERCISED THE APPLICANT'S
30 BEST EFFORTS TO OBTAIN DOCUMENTATION AND HAS BEEN UNABLE TO

1 OBTAIN THE REQUIRED DOCUMENTATION AND THAT THE APPLICANT
2 SATISFIES THE REDUCED HOURS OR WAGES REQUIREMENT TO MAKE THE
3 APPLICANT ELIGIBLE FOR ASSISTANCE.

4 (6) The agency shall make payments only to lessors or
5 mortgagees.

6 (7) The agency shall make payments only on behalf of
7 households with an annualized current income of no more than
8 the upper limit of "median income" as defined in guidelines
9 published annually by the United States Department of Housing
10 and Urban Development.

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

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

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

23 (ii) For mortgage assistance, an amount equal to
24 100% of the mortgagor's monthly mortgage, not to exceed
25 [\$1,000] \$1,500 per month, for each month for which
26 assistance is sought for a maximum of six months.
27 Payments shall be made no later than November 30, 2020.

28 (iii) In addition to any payment under subparagraph
29 (i), a landlord who agrees to release the lessee of any
30 remaining obligation for past due or future rent for all

1 the months which the agency pays the landlord shall be
2 entitled to an additional payment for each month equal to
3 25% of the outstanding balance, not to exceed the
4 remaining monthly rent or \$600, whichever is less. If the
5 total rent is covered by the payment under subparagraph
6 (i), a landlord shall not be eligible for an additional
7 payment under this subparagraph.

8 (iv) In addition to any payment under subparagraph
9 (ii), a mortgagee who agrees to release the mortgagor of
10 any remaining obligation for any past due or future
11 mortgage payment for all the months which the agency pays
12 the mortgagee, shall be entitled to an additional payment
13 for each month equal to 25% of the outstanding balance,
14 not to exceed the remaining monthly mortgage amount or
15 \$600, whichever is less. If the total mortgage payment is
16 covered by the payment under subparagraph (ii), a
17 mortgagee shall not be eligible for an additional payment
18 under this subparagraph.

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

21 (i) A landlord who receives payments for a lessee
22 under the program shall be required to offer the lessee a
23 repayment plan for any rent obligation outstanding after
24 payments received from the program are applied to the
25 lessee's rent obligation. The repayment plan may not
26 include any late fee or interest for the months in which
27 rental assistance was provided through the program. A
28 repayment plan under this subparagraph may not be less
29 than 12 months or the number of months outstanding on a
30 lessee's lease. If a lessee is renting under the month-

1 to-month lease, the repayment plan term may not be less
2 than 12 months.

3 (ii) A mortgagee who receives payments for a
4 mortgagor under the program that are not sufficient to
5 cure any outstanding obligation after payments received
6 from the program are applied to the mortgagor's mortgage
7 account shall assess the mortgagor's eligibility for
8 possible loss mitigation options, as may be available
9 under applicable investor or insurer guidelines.

10 (h) Report.--By December 31, 2020, the agency shall issue a
11 report to the chairperson and minority chairperson of the
12 Appropriations Committee of the Senate and the chairperson and
13 minority chairperson of the Appropriations Committee of the
14 House of Representatives and post the report on the agency's
15 publicly accessible Internet website. The report shall include
16 the following information:

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

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

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

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

24 (5) The average amount of assistance that was provided
25 under this section.

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

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

30 Section 2. This act shall take effect immediately.