

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1402 Session of
2008

INTRODUCED BY PIPPY AND RHOADES, MAY 12, 2008

REFERRED TO URBAN AFFAIRS AND HOUSING, MAY 12, 2008

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
 32 bonds and notes legal investments for certain purposes; and
 33 indicating how the act shall become effective," making an

1 appropriation.

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

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

7 Section 602.1-A. Appropriation.--The following shall apply:

8 (1) The sum of ten million dollars (\$10,000,000) is hereby
9 appropriated to the Pennsylvania Housing Finance Agency for the
10 fiscal year July 1, 2008, through June 30, 2009, to reimburse
11 the agency for losses incurred in connection with its subprime
12 and predatory mortgage abatement programs that are targeted at
13 homeowners at risk of foreclosure with either adjustable rate
14 mortgages or mortgages which exceed the current value of their
15 homes.

16 (2) Any appropriated funds under paragraph (1) not pledged
17 or expended in accordance with this act by January 1, 2010,
18 shall be transferred to the Pennsylvania Housing Affordability
19 and Rehabilitation Enhancement Program.

20 Section 2. This act shall take effect immediately.