



Senate Urban Affairs & Housing Committee

Senate John Pippy, Chairman

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Summary Senate Bill 1401, Printer's Number Prime Sponsor: Senator Rhoades

Summary

- Amends the Housing Agency Law (Act 621 of 1959) and creates the Home Mortgage Foreclosure Prevention program to be administered by the PA Housing Finance Agency.
- Authorizes PHFA to award grants of up to \$2,500 to homeowners to defray closing costs associated with refinancing from a high or adjustable mortgage interest rate to a new affordable fixed rate mortgage.
- Applicants would need to meet the following eligibility requirements to be approved for closing assistance:
 - The applicants current household income may not exceed the limits of PHFA's Keystone Home Loan Program (see attached);
 - The home must be located in the Commonwealth and must be a owner occupied one-family or two-family structure; and
 - The loan that is being refinanced may not have been incurred primarily for business or commercial purposes.
- PHFA is required to develop program guidelines within 60 days of the effective date of this act.
- Appropriates \$10 million to fund the program.