

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2837 Session of 2020

INTRODUCED BY FIEDLER, A. DAVIS, CEPHAS, HILL-EVANS, GALLOWAY, ZABEL, CALTAGIRONE, CIRESI, KINSEY, McCLINTON, DERMODY, STURLA, YOUNGBLOOD, SOLOMON, DRISCOLL, HARRIS, SHUSTERMAN, GREEN, SANCHEZ, ROZZI, DeLUCA, KENYATTA, DEASY, MADDEN, WILLIAMS, DALEY, COMMITTA, SCHLOSSBERG, RABB, ISAACSON, HOHENSTEIN, BULLOCK AND KRUEGER, SEPTEMBER 14, 2020

REFERRED TO COMMITTEE ON APPROPRIATIONS, SEPTEMBER 14, 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

1 collect taxes, or to make returns or reports under the laws
2 imposing taxes for State purposes, or to pay license fees or
3 other moneys to the Commonwealth, or any agency thereof,
4 every State depository and every debtor or creditor of the
5 Commonwealth," in emergency COVID-19 response, further
6 providing for definitions and for Mortgage and Rental
7 Assistance Program.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The definition of "eligible landlord" in section
11 190-C of the act of April 9, 1929 (P.L.343, No.176), known as
12 The Fiscal Code, added May 29, 2020 (P.L.186, No.24), is amended
13 and the section is amended by adding a definition to read:

14 Section 190-C. Definitions.

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

18 * * *

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

26 * * *

27 "Program." The COVID Relief - Mortgage and Rental Assistance
28 Grant Program established under section 191-C(a).

29 Section 2. Section 191-C(c), (d), (f) and (g) of the act,
30 added May 29, 2020 (P.L.186, No.24), are amended to read:

31 Section 191-C. Mortgage and Rental Assistance Program.

32 * * *

33 (c) Use of funds.--[Money] From money appropriated to the

1 Pennsylvania Housing Finance Agency for COVID Relief - Mortgage
2 and Rental Assistance, in addition to any other funds made
3 available to the Commonwealth for COVID-19 relief, \$100,000,000
4 shall be used to make grants under this subarticle.

5 (d) Allocation.--The agency shall allocate a minimum of
6 [\$150,000,000] \$75,000,000 of the funds received for use under
7 this subarticle for rental assistance grants[.] for eligible
8 landlords with no more than 10 properties located in this
9 Commonwealth.

10 * * *

11 (f) [(Reserved).] Administrative fee.--For the purpose of
12 covering the costs associated with the administration of the
13 program, the agency may utilize an amount not to exceed 5% of
14 the money appropriated for COVID Relief - Mortgage and Rental
15 Assistance, or the actual costs of administering the program,
16 whichever is less.

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

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

24 (2) Assistance may be awarded to lessors or mortgagees
25 on behalf of lessees or mortgagors who became unemployed
26 after March 1, 2020, or had their annual household income
27 reduced by 30% or more due to reduced work hours and wages
28 related to COVID-19.

29 (3) The agency shall develop an application for eligible
30 lessees, mortgagors, landlords or mortgagees to apply for

1 assistance under this section within 30 days of the effective
2 date of this section. The application shall include an
3 attestation by the landlord or mortgagee releasing the lessee
4 or mortgagor of any [remaining obligation] fees or penalties
5 for any past due or future rent or mortgage payment for which
6 the agency pays the landlord or mortgagee. The application
7 shall be made available and posted on the agency's publicly
8 accessible Internet website and be in a form that can be
9 completed and returned by the lessee, mortgagor, landlord or
10 mortgagee electronically or through the United States mail.
11 The deadline for submitting applications to the agency shall
12 be [September 30, 2020] October 31, 2021.

13 (4) The agency shall [verify the name of the lessee or
14 mortgagor with the Department of Labor and Industry's Bureau
15 of Unemployment Compensation to ensure the lessee or
16 mortgagor became unemployed after March 1, 2020.] develop a
17 system to verify the employment status of a lessee or
18 mortgagor.

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

23 (6) The agency shall make payments only to lessors or
24 mortgagees.

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

30 (8) The agency shall notify each lessee or mortgagor of

1 the amount of payment made to the landlord or mortgagee on
2 the lessee's or mortgagor's behalf.

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

4 (i) For rental assistance, an amount equal to 100%
5 of the lessee's monthly rent, not to exceed [~~\$750 per~~
6 ~~month~~] 130% of the fair market rent during fiscal year
7 2019-2020 for a two bedroom unit in the local area of
8 this Commonwealth as determined by the United States
9 Department of Housing and Urban Development, for each
10 month for which assistance is sought for a maximum of six
11 months. Payments shall be made no later than November 30,
12 2020.

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

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

28 (iv) In addition to any payment under subparagraph
29 (ii), a mortgagee who agrees to release the mortgagor of
30 any remaining obligation for any past due or future

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

9 (10) Notwithstanding any provision of law, the following
10 shall apply:

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

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

30 * * *

1 Section 3. This act shall take effect immediately.