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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

No. **468** Session of  
1961

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INTRODUCED BY MESSRS BERGER AND LANE, APRIL 4, 1961.

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REFERRED TO COMMITTEE ON JUDICIARY GENERAL,  
APRIL 4, 1961.

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**AN ACT**

To promote the welfare of the people of the Commonwealth by providing assistance to unemployed home owners who cannot meet mortgage payments by reason of their unemployment establishing the Home Mortgage Assistance Fund imposing duties upon the Secretary of Commerce and certain courts providing penalties and making an appropriation

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter ~~stricken through~~ is to be omitted from bill  
Underscoring indicates new matter added to existing law. [Brackets] indicate matter ~~stricken~~ from existing law.

## 510—Printer's No. 2

1 Section 1 Short Title This act shall be known and may be cited as  
2 the "Pennsylvania Home Mortgage Assistance Act"

3 Section 2 Definitions The following terms whenever used or re-  
4 ferred to in this act shall have the following meanings

5 (1) "Department" shall mean the Department of Commerce

6 (2) "Secretary" shall mean the Secretary of Commerce

7 (3) "Fund" shall mean the Home Mortgage Assistance Fund  
8 created by section 7 of this act

9 Section 3 Mortgagors Eligible for Assistance Any mortgagor who

10 (1) is unemployed at the date of filing an application under section 4  
11 of this act and (2) is unable to meet mortgage payments by reason of  
12 such unemployment and (3) has had mortgage foreclosure proceedings  
13 commenced against the property in which he is residing shall be eligible  
14 for assistance in meeting mortgage payments subject to the approval of  
15 the Secretary of Commerce pursuant to this act

16 Section 4 Applications Approval of Secretary Payments Repay-  
17 ments (a) Any mortgagor eligible for and desiring assistance in meeting  
18 his home mortgage payments shall apply upon a form provided by the  
19 department and shall set forth under oath the following

1 (1) The date amount and the terms of his mortgage together with  
2 the amounts and dates of previous mortgage payments

3 (2) His present unemployment together with dates of unemploy-  
4 ment and all present sources of income

5 (3) That foreclosure proceedings have been started by the  
6 mortgagee

7 (4) His inability to meet the mortgage payments

8 (5) Any additional information as determined by the secretary

9 (b) The secretary upon receipt of the application shall investigate  
10 or otherwise obtain any additional information required to determine  
11 if the applicant is entitled to home mortgage assistance payments and  
12 if the secretary is satisfied he shall approve such assistance in the  
13 amount of the monthly mortgage payments multiplied by the number  
14 of months the secretary in his discretion determines the total number  
15 of months not in any event to exceed eighteen plus any costs required  
16 to be paid by the mortgagor as approved by the secretary

17 (c) Upon approval of the application the secretary shall pay  
18 monthly out of the fund to the mortgagee or the agent designated by  
19 the mortgagee the payments as determined under the preceding sub-  
20 section The secretary may require prior to the first payment or at any

## 510—Printer's No. 4

1 time that a lien against the property junior to encumbrances existing  
2 at the time of application be placed against the property in favor of  
3 the Commonwealth

4 (d) The payments made by the secretary shall be repaid by the  
5 mortgagor beginning one month after the existing encumbrances are  
6 paid in full together with interest at the rate set by the secretary All  
7 such repayments shall be credited to the fund and shall be in monthly  
8 installments of at least the amount of the monthly payments received  
9 by the mortgagor under this act

10 Section 5 Stay of Foreclosure Proceedings Upon petition to the  
11 court in which the foreclosure proceedings have been commenced the  
12 court shall stay the proceedings for thirty days beginning on the date  
13 application is made pursuant to subsection (a) of section 4 The stay may  
14 be extended by the court for an additional fifteen days upon further  
15 application by the mortgagor

16 Section 6 Penalty Any person applying for assistance under this  
17 act who makes under oath any statement which is false erroneous or  
18 defective or conceals any relevant information with the intent to deceive  
19 shall be guilty of a felony and upon conviction shall be sentenced to pay  
20 a fine of five hundred dollars (\$500) and six months imprisonment

1       Section 7 Appropriation The sum of one million five hundred  
2 thousand dollars (\$1,500,000) is hereby specifically appropriated to the  
3 Department of Commerce for the purposes set forth in this act

4       There is hereby created a special account in the Treasury of the  
5 Commonwealth to be known as the Home Mortgage Assistance Fund  
6 to which shall be credited the above provided appropriation as well as  
7 any repayments made by mortgagors under this act The department shall  
8 requisition from time to time sufficient funds to meet the mortgage  
9 payments approved by the secretary and the costs of the department in  
10 administering this act

11       Section 8 Effective Date This act shall take effect immediately

510—Printer's No. 6

We certify that this bill has passed the Senate and the House of  
Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The ..... day of ..... A. D. 1961.

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Governor