

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 120153)

RESOLUTION

Urging Governor Corbett and Attorney General Kelly to use proceeds from the federal mortgage loan servicing and foreclosure abuse settlement to re-launch and restore dedicated state funding to the Homeowners Emergency Mortgage Assistance Program.

WHEREAS, In 1983, at the urging of faith-based organizations, civic leaders, and union workers, who were facing mass layoffs due to the collapse of the steel industry, Republican Governor Dick Thornburgh signed into law, Act 91, which authorized the Homeowners Emergency Mortgage Assistance Program (“HEMAP”); and

WHEREAS, Over the years, HEMAP, which is run by the Pennsylvania Housing Finance Agency (“PHFA”), has enjoyed broad bipartisan support and offers homeowners, who have fallen behind on their mortgages, funds to bring their loans current and the program requires participants to demonstrate their ability to resume payments on existing mortgages as well as repay the financial assistance offered by the state; and

WHEREAS, In his July 2009 testimony before the Financial Services Committee of the U.S. House of Representatives, PHFA Executive Director Brian Hudson testified that HEMAP saved more than 42,700 families from foreclosure through loans totaling \$442 million and more than 20,000 of these loans have been repaid in full, leading to a return of principal and interest of more than \$246 million back to the Commonwealth; and

WHEREAS, During the Fiscal Year 2011-2012 state budget, no funding was provided for HEMAP and, as result, PHFA had to close the HEMAP program due to a lack of funds and, in the Fiscal Year 2012-2013 state budget proposal, no funding was allocated for HEMAP; and

WHEREAS, In January 2011, Pennsylvania experienced a sharp jump in foreclosure filings and this rise is almost 24 percent higher than last year and this increase in foreclosures coincided with the end of HEMAP; and

City of Philadelphia

RESOLUTION NO. 120153 continued

WHEREAS, On February 9, 2012, U.S. Attorney General Eric Holder announced a federal settlement regarding mortgage loan servicing and foreclosure abuse and, through this national settlement, Pennsylvania is due to receive \$266 million, of which \$69 million will be allocated to the office of PA Attorney General Linda Kelly; and

WHEREAS, Considering that the \$69 million allocated to Attorney General Kelly's office is based on the national foreclosure abuse settlement, it is appropriate these funds be used to re-launch and restore dedicated state funding to the HEMAP program so that Pennsylvanians who are facing foreclosure can save their homes; now, therefore be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That we hereby urge Governor Corbett and Attorney General Kelly to use proceeds from the federal mortgage loan servicing and foreclosure abuse settlement to re-launch and restore dedicated state funding to the Homeowners Emergency Mortgage Assistance Program.

FURTHER RESOLVED, That an Engrossed copy of this resolution be sent to Governor Corbett and Attorney General Kelly as a representation of the true wishes and sincere sentiments of this legislative body.

City of Philadelphia

RESOLUTION NO. 120153 continued

City of Philadelphia

RESOLUTION NO. 120153 continued

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the eighth of March, 2012.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Tasco

Sponsored by: Councilmembers Tasco, Jones, Kenney, O'Brien, Oh, Henon, Blackwell, Johnson, Goode, Greenlee, Quiñones Sánchez, Reynolds Brown, Bass, O'Neill, Green, Squilla and Council President Clarke