

City of Philadelphia



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

(Resolution No. 150361)

RESOLUTION

Authorizing joint hearings by the Committees on Public Safety and Housing, Neighborhood Development and Homelessness to conduct hearings on mortgage foreclosure notice procedures and requirements under Pennsylvania law that must be provided to residential homeowners, property occupants and all other parties of interest.

WHEREAS, Under Act 6 of 1974 and Act 91 of 1983, Pennsylvania law requires notice to be provided to owners and other parties of interest of residential property at least 30 days prior to the filing of an action for mortgage foreclosure. In addition, many Pennsylvania mortgage documents such as the promissory note or the mortgage securing the note also require specific notice requirements prior to the acceleration of the loan; and

WHEREAS, During the Great Recession from 2008-2010 and the accompanying housing crises, many Philadelphians faced unprecedented residential mortgage foreclosures due to predatory lending, job loss and the overall instability of the nation's financial condition; and

WHEREAS, Many Philadelphia homeowners sought assistance to remain in their homes through PA Housing Finance Agency's (PHFA) Homeowner Emergency Assistance Program (HEMAP). HEMAP effectively delayed foreclosure proceedings for a minimum of 120 days which provided a great opportunity for homeowners suffering temporary economic setbacks to reverse and recover from their situations. Some homeowners also qualified for bridge loans that kept 85 percent of those who have received such loans in their homes; and

WHEREAS Compliance with Pennsylvania mortgage foreclosure notice requirements informs property owners and other interested parties of available consumer debt counseling, opportunities for conciliation with mortgagor, as well as provides time for homeowner to cure the debt or seek other provisions to avert homelessness; and

WHEREAS, Unfortunately, under the Corbett Administration, HEMAP was defunded in 2011 after providing approximately \$442 million in assistance to Pennsylvania families

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over 27 years of homeowner help and with more than 20,000 HEMAP loans repaid in full; and

WHEREAS, The 2011 defunding of HEMAP resulted in a suspension of Act 91 residential mortgage foreclosure notices thus Philadelphians no longer received important information about assistance available to them during their personal economic crises and foreclosure process; and

WHEREAS, After significant effort by this legislative body, including Resolution 120152 unanimously adopted by all member of Council, urging Governor Corbett and the Attorney General to relaunch HEMAP, the program was again funded and Act 91 again applied, but was modified; and

WHEREAS, The history of defunding HEMAP and its subsequent impact on Act 91 residential mortgage foreclosure notice requirements has created great uncertainty about proper notice requirements that must be provided to Philadelphia homeowners and occupants who are presently experiencing foreclosures; now, therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Public Safety and Housing, Neighborhood Development and the Homeless shall be authorized to conduct a joint hearing on mortgage foreclosure notice procedures and requirements under Pennsylvania law that must be provided to residential homeowners, property occupants and all other parties of interest.

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CERTIFICATION: This is a true and correct copy of the original Resolution,
Adopted by the Council of the City of Philadelphia on the sixteenth of April, 2015.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Jones, Blackwell, Tasco and Reynolds Brown

Sponsored by: Councilmembers Jones, Blackwell, Tasco, Reynolds Brown,
Goode and Bass