

Legislation Text

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Urging Pennsylvania's Governor and the Chairs of the General Assembly's Appropriation Committees to increase the 2009-10 funding for the Homeowners Emergency Mortgage Assistance Program (HEMAP) to adequately assist the rising number of unemployed Pennsylvanians facing foreclosure due to the recession.

WHEREAS, The Homeowners Emergency Mortgage Assistance Program (HEMAP) was enacted during the deep recession of 1983 and it was designed to help unemployed workers save their homes at a time when unemployment went above 10%; and

WHEREAS, HEMAP provides low interest loans to homeowners to pay their mortgage for up to 36 months until they gain employment; and

WHEREAS, The unemployment rate in Pennsylvania has risen from 5.6% in September 2008 to 7.8% in March 2009 and is expected to rise even further; and

WHEREAS, Foreclosures in Pennsylvania jumped 74% between February 2008 and February 2009, making it over double the national average. There were 4,200 foreclosures filed in Pennsylvania last month compared to 2,400 a year ago; and

WHEREAS, In 2007 and 2008 only 20% of the 4,700 families helped through HEMAP received ongoing assistance and HEMAP has been limited in approving unemployed homeowners in need of ongoing assistance because of inadequate funding. The rest of the families being helped were able to recover and resume their current payments, only needing assistance with their back payments; and

WHEREAS, During the recession of 1983 through the 1990s, the state funding for HEMAP was substantially higher and for three consecutive years during the 1983 recession, the state appropriated funding for HEMAP was \$25.75 million; and

WHEREAS, Funding has started to lag forcing the program to be unable to assist some homeowners who are behind on their mortgage because they are unemployed even though the law was made to assist jobless homeowners until they could gain employment; and

WHEREAS, HEMAP's initial appropriation for 2008-09 of \$11million was running out this spring when the Governor gave an additional \$5 million to get the program through to June 30; and

WHEREAS, The amount the Governor requested for the coming fiscal year was \$11 million which is already \$5 million short of what was needed in 2008-09; and

WHEREAS, Unemployment is soaring in Pennsylvania and HEMAP needs a minimum of \$20 million to aid victims of the recession from losing their homes; now therefore,

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby urges Pennsylvania's Governor and the Chairs of the General Assembly's Appropriation Committees to increase the 2009-10 funding

for the Homeowners Emergency Mortgage Assistance Program (HEMAP) to adequately assist the rising number of unemployed Pennsylvanians facing foreclosure due to the recession.

FURTHER RESOLVED, That a copy of this resolution be forwarded to Governor Edward Rendell and Representative Dwight Evans, Chair of the House Appropriations Committee and State Senator Jake Corman, Chair of the Senate Appropriations Committee as evidence of the deep concern of this legislative body.