
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1223 Session of
2017

INTRODUCED BY DAWKINS, YOUNGBLOOD, DAVIS, KINSEY, DRISCOLL,
SOLOMON, D. COSTA, V. BROWN, ROEBUCK AND McCLINTON,
APRIL 17, 2017

REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 17, 2017

AN ACT

1 Establishing the First Home Grants for Grads Program; and
2 imposing powers and duties on the Pennsylvania Housing
3 Finance Agency.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the First Home
8 Grants for Grads Program Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Agency." The Pennsylvania Housing Finance Agency.

14 "First home" or "home." The first residential real property
15 located in this Commonwealth to be purchased by a recipient who
16 has not owned or had an ownership interest in a principal
17 residence in the three years prior to the purchase.

18 "Graduate." An individual who has graduated from an

1 institution of higher education and who is eligible under this
2 act to apply for a grant, financial assistance or down payment
3 assistance awarded under the program.

4 "Institution of higher education." A State-related
5 university, a university within the State System of Higher
6 Education and a community college operating under Article XIX-A
7 of the act of March 10, 1949 (P.L.30, No.14), known as the
8 Public School Code of 1949.

9 "Program." The First Home Grants for Grads Program
10 established under this act.

11 "Recipient." An individual who has been awarded a grant or
12 has received financial assistance or down payment assistance
13 under the program.

14 "Resident." Any of the following:

15 (1) An individual who was a resident of this
16 Commonwealth at the time of the individual's graduation from
17 high school in this Commonwealth and who is a resident of
18 this Commonwealth at the time of applying for the program.

19 (2) An individual who was a resident of this
20 Commonwealth at the time of completing, through the twelfth-
21 grade level, a home-study program approved by the State Board
22 of Education and who is a resident of this Commonwealth at
23 the time of applying for the program.

24 (3) An individual whose parent was a resident of this
25 Commonwealth at the time of the individual's graduation from
26 high school and who graduated from:

27 (i) an out-of-State high school that was accredited
28 by a regional accrediting organization recognized by the
29 United States Department of Education and met standards
30 at least equivalent to those adopted by the State Board

1 of Education for approval of private schools in this
2 Commonwealth; or

3 (ii) a high school approved by the United States
4 Department of Defense.

5 Section 3. First Home Grants for Grads Program.

6 (a) Establishment.--The First Home Grants for Grads Program
7 is established for the purpose of providing grants or other
8 financial assistance or down payment assistance to residents who
9 have received an associate, baccalaureate, master's, doctoral or
10 other postgraduate degree. The grants or assistance shall be
11 used by a recipient to pay for the down payment or closing costs
12 on the purchase of a first home.

13 (b) Administration.--The program shall be administered by
14 the agency using money available to it.

15 (c) Eligibility.--

16 (1) A graduate is eligible to participate in the program
17 if the graduate:

18 (i) Is a resident who has received an associate,
19 baccalaureate, master's, doctoral or other postgraduate
20 degree from an institution of higher education within the
21 18 months immediately preceding the date of application
22 for the program.

23 (ii) Is able to provide to the agency evidence
24 documenting the graduate's residency and documenting
25 graduation from a high school and an institution of
26 higher education.

27 (iii) Intends to live and work in this Commonwealth
28 for at least five years after the graduate's graduation
29 or completion of a degree described in this section.

30 (iv) Intends to purchase a first home in this

1 Commonwealth.

2 (2) A graduate who is married to an individual who has
3 previously received a grant or financial assistance or down
4 payment assistance under the program is ineligible to apply
5 for a grant or assistance under this section.

6 (d) Ineligibility.--A graduate who has been found by the
7 Commonwealth to be delinquent in the payment of individual
8 income taxes is ineligible to receive a grant or other
9 assistance under the program.

10 (e) Form of assistance.--

11 (1) A graduate who is eligible for the program shall
12 receive down payment assistance and a reduction in the
13 interest rate of the mortgage offered by the agency.

14 (2) The down payment assistance shall be provided to the
15 recipient when the recipient obtains a qualifying mortgage
16 loan through a lender approved by the agency.

17 Section 4. Down payment lien.

18 (a) General rule.--At the time a first home is purchased
19 under the program, the agency shall secure the amount of the
20 down payment assistance by a lien on the home for a period of
21 five years. The lien shall attach, and may be perfected,
22 collected and enforced in the same manner as a mortgage lien on
23 the home, and shall otherwise have the same force and effect as
24 a mortgage lien, except that it shall be subordinate to a
25 mortgage lien securing money loaned by a financial institution
26 for the purchase of the home.

27 (b) Enforcement.--If the agency finds that a recipient
28 failed to comply with requirements of the program or otherwise
29 used fraudulent information to obtain down payment assistance,
30 the agency shall enforce the lien.

1 (c) Continued residency.--

2 (1) If a recipient becomes a resident of another state
3 and does not reside at least five years in a first home
4 purchased with down payment assistance awarded under the
5 program, the amount of the lien under this section that may
6 be collected shall be determined as follows:

7	Months resided in	Collectable amount as percent of
8	first home	down payment assistance
9	Less than 12 months	100%
10	12 months and a day	80%
11	to 24 months	
12	24 months and a day	60%
13	to 36 months	
14	36 months and a day	40%
15	to 48 months	
16	48 months and a day	20%
17	to 60 months	

18 (2) The lien created under this section shall be
19 extinguished upon collection under this act.

20 (3) A lien created under this section shall be
21 extinguished if the recipient, within the five-year period,
22 moves to another residence located in this Commonwealth.

23 Section 5. Regulations.

24 The agency shall promulgate regulations to administer this
25 act.

26 Section 6. Effective date.

27 This act shall take effect in 60 days.