
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 38 Session of
2015

INTRODUCED BY WILLIAMS, TEPLITZ, FONTANA, YUDICHAK, STACK,
BREWSTER, BLAKE, SCHWANK, HUGHES, SMITH, FARNESE, TARTAGLIONE
AND RAFFERTY, JANUARY 14, 2015

REFERRED TO URBAN AFFAIRS AND HOUSING, JANUARY 14, 2015

AN ACT

1 Establishing the Veterans' Homeownership Assistance Program; and
2 providing for financial assistance to a veteran or veteran's
3 spouse to purchase a home.

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 Veterans'
8 Homeownership Assistance 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 Financing Agency.

14 "Applicant." A veteran or a veteran's spouse.

15 "Department." The Department of Military and Veterans
16 Affairs of the Commonwealth.

17 "Financial assistance." Down payment or closing costs
18 assistance authorized under section 3.

1 "Primary residence." A dwelling that is used as the primary
2 domicile of the owner.

3 "Veteran." A person who served on active duty in the United
4 States Armed Forces, including any of the following:

5 (1) A reservist or member of the National Guard who was
6 discharged or released from the service under honorable
7 conditions.

8 (2) A reservist or member of the National Guard who
9 completed an initial term of enlistment or qualifying period
10 of service.

11 (3) A reservist or member of the National Guard who was
12 disabled in the line of duty during training.

13 "Veteran's spouse." The unmarried surviving spouse of a
14 veteran who was killed in action while on active duty in the
15 United States Armed Forces.

16 Section 3. Veterans' Homeownership Assistance Program.

17 (a) Establishment.--There is established a Veterans'
18 Homeownership Assistance Program which shall be administered by
19 the agency in coordination with the department.

20 (b) Award.--The agency may award financial assistance to an
21 applicant who is a first-time homebuyer under this subsection.
22 Financial assistance must be in one of following the forms:

23 (1) Down payment assistance on the purchase of a primary
24 residence. Down payment assistance shall equal the lesser of
25 the following:

26 (i) Twenty percent of the sale price of the home.

27 (ii) Ten thousand dollars.

28 (2) Closing costs assistance on the purchase of a
29 primary residence, which shall equal 5% of the sale price of
30 the home and may not exceed the lesser of the following:

1 (i) The total amount of closing costs due.

2 (ii) Ten thousand dollars.

3 (c) Types.--The agency may award financial assistance in any
4 of the following forms and manners based on a review of the
5 applicant's personal finances:

6 (1) A grant.

7 (2) A no-interest, forgivable loan. A loan awarded under
8 this paragraph shall be reduced by 20% per year over five
9 years beginning on the date of closing. A veteran who sells
10 the home prior to the expiration of five years or who ceases
11 to use the home as the veteran's primary residence prior to
12 the expiration of the five-year forgiveness period shall
13 repay any remaining principal amount of the loan to the
14 agency in a time and manner determined by the agency.

15 (3) A deferred loan repayable upon the sale of the
16 property. A loan awarded under this paragraph must be repaid
17 upon the sale of the home by the veteran. The amount of the
18 repayment shall equal 105% of the total amount of the loan
19 awarded and shall be payable to the agency in a time and
20 manner determined by the agency.

21 (d) Application.--A veteran may apply for financial
22 assistance by submitting an application in the form and manner
23 prescribed by the agency. The applicant shall state in the
24 application whether the applicant is seeking financial
25 assistance in the form of down payment assistance or closing
26 costs assistance.

27 (e) Review.--Prior to awarding financial assistance under
28 this act, the agency shall review the application under
29 subsection (d) to determine whether the applicant is eligible to
30 receive financial assistance. The following shall apply:

1 (1) The agency may not impose a means test or make any
2 determination of need on an applicant.

3 (2) An applicant's financial circumstances may only be
4 used to assess the type of financial assistance to be awarded
5 to the applicant.

6 Section 4. Duties of department.

7 The department shall work in conjunction with the agency to
8 verify the status and eligibility of every individual submitting
9 an application for financial assistance under this act.

10 Section 5. Guidelines.

11 The agency, in consultation with the department, shall
12 promulgate regulations or develop guidelines providing for the
13 Veterans' Homeownership Assistance Program.

14 Section 6. Appropriation.

15 (a) Amount.--The amount of \$2,500,000 is appropriated from
16 the General Fund to the agency for the period of July 1, 2015,
17 to June 30, 2016, to provide financial assistance to eligible
18 veterans and administer the agency's responsibilities under this
19 act.

20 (b) Administrative costs.--No more than \$250,000 of the
21 funds appropriated under subsection (a) may be used for
22 administrative costs incurred by the agency and the department
23 to administer this act.

24 Section 7. Effective date.

25 This act shall take effect in 60 days.