

## **The Pennsylvania Homeowner Assistance Fund: What Municipalities, School Districts and Municipal Authorities Need to Know**

By Daniel P. Schley, Esquire<sup>1</sup>

Portnoff Law Associates, Ltd.

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At the beginning of this year, Governor Wolf announced the statewide launch of the Pennsylvania Homeowner Assistance Fund (“PAHAF”) which will provide Pennsylvania homeowners facing hardship due to the COVID-19 pandemic approximately \$350 million in financial assistance for qualified housing-related expenses, including both delinquent property taxes and delinquent payments for utility services. Portnoff Law Associates, Ltd. (“Portnoff”) has been working closely with PAHAF to better understand its implications for delinquent real estate tax and municipal claim collection. This article provides Pennsylvania municipalities, school districts and municipal authorities an overview of PAHAF and is a guide to help them assist homeowners applying for PAHAF grants and ensure prompt payment of any PAHAF-eligible delinquent real estate taxes and/or municipal claims.

***What is the Pennsylvania Homeowner Assistance Fund?*** PAHAF is a housing-related program funded by the U.S. Treasury to assist Pennsylvania homeowners facing financial hardship due to the COVID-19 pandemic. The program is administered by the Pennsylvania Housing Finance Agency which was allocated more than \$350 million under the American Rescue Plan Act of 2021 to help Pennsylvania homeowners avoid mortgage delinquency, foreclosure or displacement. The funds provided under PAHAF are structured as a non-recourse grant with no repayment terms.

***When did PAHAF begin?*** PAHAF began taking applications from all eligible Pennsylvania homeowners on February 1, 2022.

***Which Homeowners are Eligible for PAHAF grants?*** Pennsylvania homeowners whose household income is equal to or less than 150% of the area median income (“AMI”) are eligible. Priority is given to households at or below 100% AMI and Socially Disadvantaged<sup>2</sup> households. The assistance is available only to homeowners who own and occupy the property as their primary residence and only for property located in Pennsylvania.

***How do Homeowners apply?*** Homeowners may apply or learn more about the program by visiting <https://pahaf.org/> or calling (888) 987-2423. There is no cost to apply.

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<sup>2</sup> The definition of Socially Disadvantaged may be found at <https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>.

***What expenses are eligible?*** Among other housing-related expenses, certain mortgage delinquencies, delinquent property taxes and delinquent payments for utility services including electric, heating/fuel, water and/or sewer bills are all eligible for PAHAF grants.

***What is the maximum amount of assistance for delinquent property taxes and delinquent payments for utility services?*** For delinquent property taxes, up to \$5,000 and for delinquent payments for utility services, up to \$3,000. Each amount cannot cover more than 24 months of delinquencies. To be eligible, a homeowner's total delinquency must be within the cap, as PAHAF funds must be able to cover the full delinquency amount. PAHAF may, however, approve applications from an otherwise eligible homeowner with delinquencies above the cap in the event the homeowner has an approved payment plan in place with the applicable municipality, school district or municipal authority for the outstanding balance. PAHAF may later revise the maximum assistance amounts and time period based on additional data collected and demonstrated need.

***What do Municipalities, School Districts and Municipal Authorities need to do to be eligible to receive funds under this program?*** Homeowners in your jurisdiction may apply to the program online. In order for your homeowners' delinquent property taxes to be eligible, unless your County Tax Claim Bureau collects your delinquent property taxes, please make sure that your municipality or school district has provided PAHAF: (1) a contact with whom PAHAF may verify delinquent account balances, (2) your municipality or school district's completed Form W-9, (3) if you have a third party delinquent collector, your delinquent collector's Form W-9 and (4) if you prefer ACH payments instead of checks, a completed PAHAF ACH agreement. This information may be sent to [pahafhelp@pahaf.org](mailto:pahafhelp@pahaf.org). Note that if your County Tax Claim Bureau collects your delinquent property taxes, only your County Tax Claim Bureau will need to provide its information to PAHAF in order for your homeowner's delinquent property taxes to be eligible. In order for your delinquent payments for utility services to be eligible, please make sure your municipality or municipal authority has provided PAHAF the previously mentioned information and completed documents. If Portnoff collects your delinquent property taxes and/or utility claims, please make sure to include Daniel Schley, Esq. ([dschley@portnoffonline.com](mailto:dschley@portnoffonline.com)) as a contact and inform Portnoff when you have provided PAHAF the requisite documentation. Portnoff has already provided its Form W-9 to PAHAF on behalf of our clients.

***How are delinquent account balances amounts verified?*** PAHAF has been designed to minimize onerous documentation requirements on application. It will rely on applicant self-attestations, proxy data and third-party data sources. If Portnoff collects your eligible delinquencies, Portnoff will work directly with PAHAF to verify account balances and provide balance statements on your behalf. If Portnoff does not represent you in connection with your delinquent property taxes or utility claims, please make sure to provide your contact information to PAHAF as indicated above.

***How are funds disbursed?*** Funds are paid directly to the applicable municipality, school district or municipal authority. PAHAF has also indicated that it may eventually become possible for Portnoff to accept funds directly on behalf of our clients and include PAHAF funds with our normal client remittances. As noted above, please make sure to send your direct deposit information to PAHAF at [pahafhelp@pahaf.org](mailto:pahafhelp@pahaf.org). Applicants will be notified of the amount of assistance to be disbursed on their behalf.

***Where should we go if we have any questions about the program?*** Homeowners should be directed to <https://pahaf.org/> or (888) 987-2423. If you have any questions, please contact PAHAF at [pahafhelp@pahaf.org](mailto:pahafhelp@pahaf.org) or Portnoff's Daniel Schley, Esq. at [dschley@portnoffonline.com](mailto:dschley@portnoffonline.com) and Jerilyn Kucharski at [jkucharski@portnoffonline.com](mailto:jkucharski@portnoffonline.com).

***What is Portnoff Law Associates, Ltd.?*** Portnoff Law Associates, Ltd. is a law firm with a practice limited to the collection of unpaid real estate taxes and municipal claims. It now represents more than 190 municipalities, school districts and municipal authorities throughout Pennsylvania, with offices in King of Prussia, Allentown and Aliquippa. It is our honor to work with PAHAF on behalf of our clients and municipalities, school districts and municipal authorities throughout the Commonwealth to implement this important program.

*Note that this information is not being communicated as legal advice. Portnoff recommends that you discuss this program with your solicitor prior to enrollment.*