

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

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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.²

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 Disadvantaged³ 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. More information about the eligibility requirements may be found on PAHAF’s website at <https://pahaf.org/am-i-eligible/>.

¹ Portnoff would like to thank PAHAF, and in particular Ms. Victoria Barton, Ms. Sharon Gagel, Ms. Sydney Gilliam, Ms. Ellen James and Mr. Alexander Stowe for their guidance and thoughtful feedback in connection with the publication of this article.

² In certain limited situations, such as upon receipt of duplicated benefits, fraud or a homeowner’s sale of a property within 90 days following disbursement of funds, a homeowner may be required to repay PAHAF grant proceeds.

³ The definition of Socially Disadvantaged may be found at <https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>.

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.

What expenses are eligible? Among other housing-related expenses, certain mortgage (including mortgage insurance premium) delinquencies, condominium/HOA delinquencies, delinquent property taxes and delinquent payments for utility services including electric, heating oil, gas, water and/or sewer bills are all eligible for PAHAF grants. Certain other municipal property charges including municipal claims for delinquent trash fees and levee fees are also eligible.⁴

What is the maximum amount of assistance for delinquent property taxes and delinquent payments for utility services? For delinquent property taxes, up to \$8,000, for delinquent payments for utility services, also up to \$8,000 and for certain other municipal claims which are eligible for PAHAF grants as delinquent homeowner/condominium fees, up to \$5,000.⁵ The total cap on assistance for an eligible homeowner is \$30,000.⁶ PAHAF may later revise the maximum assistance amounts based on additional data collected and demonstrated need.⁷

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. 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 non-tax delinquencies 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 eligible delinquencies, please make sure to include Daniel Schley, Esq. (dschley@portnoffonline.com) and Jerilyn Kucharski (jkucharski@portnoffonline.com) as your contacts 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.

⁴ The requirement that eligible charges must have accrued since January 1, 2020 has been removed. However, a homeowner still must have experienced a qualified financial hardship as a result of the COVID-19 pandemic since January 21, 2020.

⁵ The caps for delinquent property taxes and payments for utility services were increased to \$8,000 from \$5,000. The other municipal property charges noted as eligible as delinquent homeowner/condominium fees include delinquent trash fees and levee fees.

⁶ For a full list of eligible covered delinquencies, see <https://pahaf.org/whats-covered/>.

⁷ The following PAHAF grant requirements have been removed for delinquent property taxes, payments for utility services and homeowner/condominium fees: (1) a 24 month cap on eligible delinquencies, (2) that a homeowner's total delinquency be within each applicable cap and (3) that a PAHAF grant bring delinquent account balances current. Note that any mortgage reinstatement still requires that the outstanding delinquency be below the cap and that the grant resolve/bring current the delinquency.

Are there any obligations or conditions on the Municipality, School District or Municipal Authority required in order to receive PAHAF funds? There are no obligations or other conditions placed on the municipality, school district or municipal authority in connection with the receipt of the applicable PAHAF grants other than accepting and applying the PAHAF grant to the applicable delinquencies. However, if a homeowner's delinquencies are above the applicable PAHAF cap, PAHAF may refer homeowners to legal service providers or housing counselors. Among other services, legal service providers and housing counselors may assist homeowners in negotiating payment plans for any outstanding delinquencies remaining after disbursement of PAHAF grants. PAHAF asks that municipalities, school districts and municipal authorities work with homeowners to establish such payment plans. To the extent an applicant is found to have received a duplication of benefits or provided PAHAF with fraudulent information, PAHAF may ask that grant proceeds be returned or adjusted.

How are delinquent account balances 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 is working directly with PAHAF to verify account balances and provide balance statements on your behalf. If Portnoff does not represent you in connection with your eligible delinquencies, please make sure to provide your contact information to PAHAF as indicated above.

How are funds disbursed? Funds are generally paid directly to the applicable municipality, school district or municipal authority. However, if Portnoff collects your eligible delinquencies, please make sure to forward to Portnoff all PAHAF application requests you receive. If PAHAF is aware of your representation by Portnoff, Portnoff will accept the funds directly on behalf of our clients and include PAHAF funds with our normal client remittances. If Portnoff does not collect your eligible delinquencies, as noted above, please make sure to send your direct deposit information to PAHAF at pahafhelp@pahaf.org. Applicants will be notified of the amount of assistance to be disbursed on their behalf.

Does PAHAF provide resources to help municipalities, school districts and municipal authorities publicize the fund? Yes. PAHAF created a downloadable Partner Toolkit which includes newsletter language, social media posts and images, PAHAF logo image files, and flyers you can use to help promote the program. The toolkit also includes a downloadable fact sheet and an application checklist you can share with your homeowners. The toolkit is available [here](#).

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. The Portnoff team dedicated to working with PAHAF includes Daniel Schley, Esq. at dschley@portnoffonline.com and Jerilyn Kucharski at 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.