Client Alert

MACDONALD, ILLIG, JONES AND BRITTON LLP   SEPTEMBER 28, 2011

New Foreclosure Notice Requirements in Pennsylvania

Recently, there has been an important change in Pennsylvania law regarding the residential mortgage foreclosure process. Specifically, the Pennsylvania Housing Finance Agency, the agency charged with administering the Homeowner's Emergency Mortgage Assistance Program, announced that the funds available for emergency mortgage assistance have been exhausted. Under the Act, mortgagees were required to provide 30 days' notice to mortgagors in default on their residential mortgages of their right to apply for mortgage assistance prior to instituting a foreclosure action. Such notice was commonly referred to as the "Act 91 Notice." However, after August 27, 2011, mortgagees can take legal action to enforce a mortgage without issuing the Act 91 Notice, regardless of the date upon which a mortgage obligation became delinquent.

This change does not eliminate the requirement to provide the "Act 6 Notice," found at 41 P.S. § 403.   Mortgagees must still send the "Act 6 Notice" 30 days prior to the commencement of a foreclosure on a residential mortgage, as that term is defined by Act 6. The "Act 6 Notice" advises the residential mortgagor of the right to "cure" the mortgage default by paying the amount in default, rather than paying off the mortgage, in order to avoid foreclosure.

If you have any questions about this important change, please call Susan Reiter at (814) 870-7760.

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