

CITY OF PHILADELPHIA



OWNER OCCUPIED PAYMENT AGREEMENTS

2015 ANNUAL REPORT

Submitted by:
The City of Philadelphia, Department of Revenue
July 1, 2016

As Required by Section 19-1305(7)(b) of The Philadelphia Code

Owner Occupied Payment Agreement Statistical Report 2015 ANNUAL REPORT

Key Stats for 2015

- **10,402 current OOPA agreements as of December 31, 2015**
- **\$73,857,161.38 under OOPA agreement as of December 31, 2015**
- **4,870 New OOPA agreements in 2015**
- **372 OOPA defaults in 2015**

The Owner Occupied Payment Agreement (OOPA) is a payment agreement option for people who own and reside in their property. The plan is designed to create an affordable repayment agreement on delinquent taxes, while also requiring the homeowner to stay current on new taxes as they become due each year.

There are two ways that the monthly payment amount can be determined, as outlined in the Philadelphia Code.

Option 1 - A set amount based on your household income.

Monthly payment will be set as a percentage of household income.

Tier Four: Taxpayers whose monthly household income is at or below thirty percent (30%) of the Area Median Income will pay 5% of household monthly income. Monthly payment will be at least \$25 a month.

Tier Three: Taxpayers whose monthly household income is above thirty percent (30%) but no more than fifty percent (50%) of the Area Median Income will pay 8% of household monthly income.

Tier Two: Taxpayers whose monthly household income is above fifty percent (50%) but no more than seventy percent (70%) of the Area Median Income will pay 10% of household monthly income.

Tier One: Taxpayers whose monthly household income is above seventy percent (70%) of the Area Median Income are eligible for an agreement at terms decided by the Department.

The monthly payment described above is for the delinquent taxes only. The owner occupant will also have to pay the full amount of new taxes each year when they are due.

Option 2 – An individualized amount based on household income and expenses.

In this option, household income and full budget (how money is spent each month) must be disclosed. Revenue reviews income and expenses. Revenue reserves the right to disallow expenses that are not reasonable and necessary. Any extra money in the budget must be paid to the property taxes. That amount will then be set as your regular monthly payment for the owner occupied payment plan. The monthly payment will be at least \$25.

The monthly payment described above is for the delinquent taxes only. The owner occupant will also have to pay the full amount of new taxes each year when they are due.

NOTE: If household income is above 70% of the Area Median Income, the Department of Revenue has discretion to deny the owner occupied payment plan application.

Required Statistical Reporting for 2015

Total number of delinquent real estate tax accounts:

There are 20,044 delinquent homestead accounts with a total delinquent tax liability of \$97,327,973 (\$53,027,372 principal + \$27,625,027 interest + \$4,142,825 penalty + \$12,487,707 other).

There are 69,473 delinquent non-homestead accounts with a total delinquent tax liability of \$394,703,874 (\$203,029,310 principal + \$112,737,645 interest + \$14,222,910 penalty + \$64,522,993 other).

The total number of delinquent accounts is 89,517 and the delinquent tax liability is \$492,031,847 (\$256,056,682 principal + \$140,362,672 interest + \$18,365,735 penalty + \$492,031,847 other).

The delinquent tax liability ranges in length from 1 to 39 years. 71% of homestead accounts are 5 years or less delinquent. 53% of non-homestead accounts are 5 years or less delinquent.

Number of Risk of Tax Foreclosure Warnings sent:

The Revenue Department sent **39,177** First Time Delinquent Notices to taxpayers with past due 2015 real estate tax. This letter explained consequences of failure to pay 2015 real estate tax by the end of December 2015.

Taxpayer contacts that resulted in payment agreements:

The Revenue Department and its representatives entered into **10,720** Standard Real Estate Agreements and another **4,870** Owner Occupied Payment Agreements. A total of **15,590** taxpayer contacts resulted in payment agreements.

Taxpayer contacts that did not result in payment agreements:

Although the Revenue Department does not track the reason for each individual taxpayer call, e-mail, letter, or office visit, we do know there were 770 taxpayers who started, but failed to complete the process for an OOPA last year. The failure to complete the process was most commonly caused by abandonment of an application or failure to return signed payment agreements.

Number of taxpayers referred to housing counseling or legal service agencies:

Every taxpayer qualified for this program is given an OOPA application packet which includes a Taxpayer Assistance Brochure. This brochure lists housing counseling and legal service agencies where

the taxpayer can seek professional assistance. The Taxpayer Assistance Brochure is also available on our website to all interested parties.

The Department and its representatives do not make direct referrals to agencies.

Existing OOPA statistics:

The amount under agreement may be less than the sum of principal + interest + penalty + other because of waivers associated with the different tiers. A full explanation of the waivers can be obtained from The Revenue Department website at:

<http://www.phila.gov/Revenue/payments/agreements/Pages/LowIncome.aspx>

Tier	Length of Agreement	Total Agrmt.	Total Amt. Under Agrmt.	Principal	Interest	Penalty	Other
Tier 1	≤12 months	23	\$58,969.51	\$50,084.66	\$4,930.01	\$1,391.31	\$2,563.53
	≤36 months	57	\$480,820.53	\$359,739.71	\$66,428.66	\$18,700.49	\$32,258.63
	≤60 months	5	\$63,245.69	\$44,392.69	\$12,629.12	\$2,208.62	\$4,015.26
	≥61 months	2	\$44,437.38	\$37,514.22	\$3,205.80	\$1,537.94	\$2,179.42
	total	87	\$647,473.11	\$491,731.28	\$87,193.59	\$23,838.36	\$41,016.84
Tier 2	≤12 months	69	\$164,387.40	\$129,033.80	\$14,057.66	\$4,291.38	\$9,905.10
	≤36 months	108	\$719,746.08	\$484,161.09	\$106,726.33	\$28,228.75	\$66,500.35
	≤60 months	30	\$375,562.74	\$244,666.79	\$68,232.97	\$14,043.11	\$33,431.64
	≥61 months	28	\$815,751.45	\$516,636.68	\$220,940.19	\$32,427.40	\$73,080.84
	total	235	\$2,075,447.67	\$1,374,498.36	\$409,957.15	\$78,990.64	\$182,917.93
Tier 3	≤12 months	131	\$251,961.55	\$135,927.92	\$15,233.74	\$3,354.21	\$10,107.74
	≤36 months	408	\$1,490,636.58	\$1,082,912.35	\$235,139.16	\$58,172.44	\$169,358.41
	≤60 months	191	\$1,416,772.95	\$984,936.61	\$252,535.63	\$48,463.35	\$165,016.45
	≥61 months	207	\$3,329,193.61	\$2,322,349.81	\$1,172,431.30	\$133,165.92	\$414,394.12
	total	937	\$6,488,564.69	\$4,526,126.69	\$1,675,339.82	\$243,155.92	\$758,876.72

Tier 4	≤12 months	157	\$124,688.70	\$113,665.09	\$13,533.98	\$2,425.19	\$7,343.79
	≤36 months	458	\$677,403.33	\$554,220.02	\$83,350.32	\$20,965.58	\$73,063.48
	≤60 months	462	\$1,274,750.26	\$954,898.68	\$157,818.06	\$40,865.58	\$176,447.61
	≥61months	2534	\$20,575,870.85	\$16,193,800.42	\$6,258,544.55	\$822,997.44	\$3,372,416.76
	Total	3611	\$22,652,713.14	\$17,816,584.21	\$6,513,246.91	\$887,253.79	\$3,629,271.64
	Grand Total	4870	\$31,864,198.61	\$24,208,940.54	\$8,685,737.47	\$1,233,238.71	\$4,612,083.13

Total Number of OOPA Defaults:

Taxpayers have defaulted on their OOPA's to date for failure to pay the agreed upon monthly payment.

Default statistics are as follows:

Tier 1 – 3

Tier 2 – 24

Tier 3 – 80

Tier 4 – 265

Total Defaults – 372 Defaults