

74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 2155
CARRIER: Rep. Gelser

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do pass

Vote: 6-2-1

Yeas: Berger, Gelser, Read, Rosenbaum, Witt, Barnhart

Nays: Butler, Olson

Exc.: Bruun

Prepared By: Mary Ayala, Economist

Meeting Dates: 2/6, 5/17, 5/25

WHAT THE BILL DOES: Increases the maximum loan amortization rate from 30 to 40 years for home loans that are made to veterans under Article XI-A of the Oregon Constitution.

Applies to loans or transfers of ownership on or after the effective date of this Act.

ISSUES DISCUSSED: A representative from the Department of Veteran Affairs highlighted that the proposed legislation will bring an additional home loan product to veterans who might not qualify for the 30 year mortgage. However, some members discussed some of the downside risks to the state associated with extending the amortization schedule for loans that have the full backing of the state of Oregon. Concerns were also raised about the additional interest that veterans will have to pay on a 40 vs. 30 year mortgage.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: ORS 407.095 authorizes the Department of Veteran Affairs to make home loans to qualified veterans. ORS 407.275 stipulates that the amortization period of these loans may not exceed 30 years for homes, other than mobile homes, and 40 years for farms.

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This summary has not been adopted or officially endorsed by action of the committee.