

# House Bill 2155

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor Theodore R. Kulongoski for Department of Veterans' Affairs)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases maximum loan amortization period for home loans made to veterans from 30 years to 40 years. Enables Department of Veterans' Affairs to periodically prescribe interest rates for certain persons.

## A BILL FOR AN ACT

1 Relating to amortization of veterans' loans; creating new provisions; and amending ORS 407.275.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1.** ORS 407.275 is amended to read:

4 407.275. (1) Loans may be made bearing interest at the rate per annum prescribed as provided  
5 by ORS 407.325. Loans may be amortized over a period of not more than [30] **40** years for homes  
6 other than mobile homes [*and not more than 40 years for farms*]. Loans for mobile homes may be  
7 amortized over a period not exceeding the expected life of the mobile home, as determined by the  
8 Department of Veterans' Affairs. The limitations contained in this subsection [*shall*] **do** not preclude  
9 the department from later extending the amortization period.

10  
11 (2) If the ownership of the secured property is transferred by deed or otherwise to anyone other  
12 than [*the original borrower*] **a veteran eligible for a loan under this chapter and Article XI-A**  
13 **of the Oregon Constitution**, the **veteran's** surviving spouse[,] **or** unremarried former spouse, **the**  
14 **veteran's** surviving child or stepchild [*of the original borrower*], **another veteran eligible for a**  
15 **loan under this chapter and Article XI-A of the Oregon Constitution who assumes the pre-**  
16 **vious loan for the property as described in ORS 407.305 or** a governmental entity when the se-  
17 cured property is transferred for public use [*or a veteran eligible for a loan under this chapter and*  
18 *Article XI-A of the Oregon Constitution, who assumes the previous loan for the property as described*  
19 *in ORS 407.305*], the interest from the date of transfer shall be at the rate per annum then fixed as  
20 provided by ORS 407.335. However, the department, during the term of the loan, may periodically  
21 prescribe the interest rates to be paid by the transferee.

22 (3) Ownership of property that constitutes security for a loan made **to a veteran** under this  
23 chapter and Article XI-A of the Oregon Constitution may not be transferred by deed or otherwise  
24 to anyone other than the **veteran's** surviving spouse, unremarried former spouse, surviving child  
25 or stepchild [*of the original borrower, or a*] **or another** veteran eligible for a loan under this chapter  
26 and Article XI-A of the Oregon Constitution[,] who assumes the previous loan **for the property** as  
27 described in ORS 407.305, unless the property is used primarily as the principal residence of the  
28 transferee for at least two years after the transfer or such shorter period of time as the department  
29 for good cause may allow.

30 (4) Mortgages, trust deeds or security agreements on property given to secure any loan made

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 under ORS 407.125 or statutes supplementary thereof may provide that the taxes and insurance  
2 premiums may be paid by the department from the Oregon War Veterans' Bond Sinking Account.  
3 The amount so paid may be added to and become part of the principal of the loan and be repaid as  
4 prescribed by the department. The department may prescribe any method or period for repayment  
5 of the amount so paid that is not in conflict with the mortgage, trust deed or security agreement.  
6 The department may prescribe any method or period for repayment of interest on the amount so paid  
7 that is not in conflict with the mortgage, trust deed, security agreement or a separate agreement  
8 with the borrower.

9 **SECTION 2. The amendments to ORS 407.275 by section 1 of this 2007 Act apply to loans**  
10 **or transfers of ownership made on or after the effective date of this 2007 Act.**

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