

Enrolled
House Bill 2159

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

CHAPTER

AN ACT

Relating to veterans' loans; amending ORS 407.205.

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

SECTION 1. ORS 407.205 is amended to read:

407.205. (1) Applications for loans for acquisition of a home or farm under this chapter shall be made to the Department of Veterans' Affairs. Loans exclusive of funds disbursed under ORS 407.145 (2) and 407.275 (4) [shall] **may** not exceed the maximum original principal balance permitted on a single-family first mortgage loan by the Federal National Mortgage Association, as published in its announcements and subsequently included in its Selling Guide, [for a home or \$185,000 for a farm] at a rate of interest provided by ORS 407.325. Except as provided in subsection (2) of this section, an eligible individual [shall] **may** not receive or, under ORS 407.305, assume more than two loans under this chapter. [No] **An** applicant [is entitled to] **may not** borrow more than the maximum amount allowed under this section, except that when a loan is made on property [which] **that** is destroyed by fire or other natural hazard, taken through condemnation or lost or disposed of for a compelling reason devoid of fault on the part of the applicant and when the loan is repaid or the property is transferred by deed or otherwise, the loan may be excluded from consideration in computing the maximum loan allowable. However, the loan right provided in this section may be restored not more than once while an unrepaid balance remains on a previous loan granted to the applicant.

(2) The department may allow an eligible individual to receive or, under ORS 407.305, assume more than two loans under this chapter when:

(a) The loan received or assumed is an additional loan made for the improvement of the farm or home acquired with an initial loan for the acquisition of that property; or

(b) The last official certification of record by the United States Department of Veterans Affairs or any branch of the Armed Forces of the United States shows the eligible individual to be at least 50 percent disabled. However, a loan may be made to an eligible disabled veteran under this paragraph only if the veteran must acquire a different principal residence for compelling medical reasons or because the veteran is transferred by an employer for employment purposes or because the veteran's spouse is transferred by an employer for employment purposes and the spouse provides more than 50 percent of the household income.

(3) For the purposes of this section, an applicant owns a home when the applicant has fee simple title to the home or is the purchaser of the home under a contract of sale or other instrument of sale. Earnest money or preliminary sales agreements, options or rights of first refusal are not contracts or instruments of sale under this subsection.

(4) As used in this section, "home" includes mobile homes and houseboats.

Passed by House February 8, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate March 28, 2007

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President of Senate

Received by Governor:

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Approved:

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State