

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	7 - 0 - 1
Yeas:	Barnhart, Berger, Garrett, Holvey, Wingard, Hunt, Olson
Nays:	-
Exc.:	Freeman
Prepared By:	Jim Stenbridge, Administrator
Meeting Dates:	5/23

WHAT THE MEASURE DOES: Regulates activities of persons who prepare, present, or prosecute veterans' benefit claims. Requires such persons to be recognized as agents or attorneys under specific federal law. Prohibits an agent or attorney from requiring veterans to transfer assets in exchange for filing the claims. Limits fee to twenty percent of past due benefit amounts obtained. Requires claims on behalf of Oregon residents to be filed in Oregon. Declares emergency, effective September 1, 2011.

ISSUES DISCUSSED:

- Need for flexibility in regulations
- Possible reasons for transfer of assets
- Potential regulatory loopholes and the probable need for future fixes

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under federal law (38 USCS Chapter 59), the United States Department of Veterans Affairs (VA) allows attorneys and "agents" to do claims work for veterans. Attorneys and agents can be paid up to 20 percent of the veteran's initial compensation award. According to the Oregon Department of Veterans Affairs, a number of businesses have started up around the country, targeting older veterans in retirement homes, assisted living facilities, residential facilities, and nursing homes. The businesses are paid a fee by the retirement facility on the promise they will bring VA revenue to the home. Then they pitch the veterans and tell them that if the veteran allows the business to do their claims, the veteran will receive between \$2,500 and \$3,000 a month from the VA. In some cases, they are reportedly asking the veteran to sign over assets in exchange for having their claim done. Because a veteran with assets is probably not eligible for the benefit, when the business takes over the asset it makes the veteran look as if he/she is eligible.

House Bill 3661 puts boundaries around veterans' claims agents and attorneys in Oregon, allowing them to practice as defined in federal law specified in the measure.