

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Veterans and Emergency Preparedness

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

SUBSEQUENT REFERRAL TO: None

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Cheyenne Ross, Administrator

Meeting Dates: 2/28, 3/28

WHAT THE MEASURE DOES: Modifies limit on dollar amount of home and farm loans made by Oregon Department of Veterans' Affairs. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Agency's dependence on functioning loan program
- This and Senate Bill 34 introduced to improve loan product to benefit vets and the agency
- Permits increased ability to administer more loans
- Similar concerns as with Senate Bill 34, regarding past difficulties with loan program in the 1980s
- Explanation of loan process from applicant perspective

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: Current law limits the maximum dollar amount the Oregon Department of Veterans' Affairs (ODVA) may loan to eligible persons, to purchase a home or farm, to 100 percent of the subject property's net appraised value (not to exceed the person's benefit). In order for ODVA home or farm loans to be covered by the Home Loan Guarantee Program offered by the U.S. Department of Veterans Affairs, the loan amounts must be tied to the loan-to-value ratio permitted by the program (currently 103.3 percent of the net appraised value). Senate Bill 35 aligns the maximum home or farm loan amount ODVA may offer, with the loan-to-value ratio required by the U.S. Department of Veterans Affairs Home Loan Guarantee Program, in order to take advantage of the guarantee.