



Oregon

John A. Kitzhaber, MD, Governor

Department of Veterans' Affairs

700 Summer Street NE, Salem, OR 97301

Phone: (503) 373-2085

Fax: (503) 373-2362

Senate Committee on Veterans and Emergency Preparedness

SB 34

Removes Limit on ODVA Home Loan Program

Mr. Chair and Members of the Committee,

For the record, my name is Tom Mann, Administrator for the Veteran Services Division for the Oregon Department of Veterans' Affairs. One of the veteran benefits that I am responsible for is the ORVET Home Loan Program and I am here today in support of SB 34 - an agency bill that helps expand veteran access to their home loan benefit.

Under current law, a borrower is limited to two ODVA loans during their lifetime except in certain circumstances, such as a forced move due to a work transfer. SB 34 would eliminate the restriction completely, allowing veterans to have as many loans from ODVA as they would like.

This bill becomes important in light of some research we've recently done. The current loan limit for an ODVA loan is \$417,000. For decades it was thought that the ceiling was aggregate, meaning that if a veteran's first loan was for \$200,000, the veteran would have \$217,000 of loan eligibility left. Having read the statutes much more closely, and checking with both the Department of Justice and our Bond Counsel, we've determined that the loan ceiling amount is not aggregate, rather each loan can be up to \$417,000. Obviously we will continue to apply our strict underwriting to all loans, but we are in the process of amending our Administrative Rules to reflect this new understanding. If passed, SB 34 will really open up the ability of veterans to use the ORVET home loan.

Thank you for your consideration of this bill and I'd be happy to answer any questions.