

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 6 - 0 - 1
Yeas: Boone, Esquivel, Huffman, Parrish, Witt, Matthews
Nays: 0
Exc.: Fagan
Prepared By: Elizabeth Edwards, Administrator
Meeting Dates: 4/30, 5/7

WHAT THE MEASURE DOES: Modifies limit on home and farm loans made by Oregon Department of Veterans' Affairs (ODVA) to match maximum loan-to-value, or combined loan-to-value, ratio permitted by U.S. Department of Veterans Affairs' Home Loan Guaranty Program. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Success of ODVA loan program and ways to improve it
- Companion measure, Senate Bill 34A
- Enabling ODVA to offer additional loan product and use federal loan guarantee
- Foreclosure mediation program
- Low default rates among veterans

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Current law limits the maximum dollar amount the Oregon Department of Veterans' Affairs (ODVA) may loan to eligible persons for the purchase of a home or farm to 100 percent of the subject property's net appraised value. 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, the permitted loan-to-value ratio is 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, which will enable the ODVA to offer additional loans.