

# Senate Bill 34

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Removes limit on number of loans eligible individual may receive or assume from Department of Veterans' Affairs.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to loans from the Department of Veterans' Affairs; amending ORS 407.205; and declaring  
3 an emergency.

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

5 **SECTION 1.** ORS 407.205 is amended to read:

6 407.205. (1) Applications for loans for acquisition of a home or farm under this chapter shall be  
7 made to the Department of Veterans' Affairs. Loans exclusive of funds disbursed under ORS 407.145  
8 (2) and 407.275 (4) may not exceed the maximum original principal balance permitted on a single-  
9 family first mortgage loan by the Federal National Mortgage Association, as published in its an-  
10 nouncements and subsequently included in its Selling Guide, at a rate of interest provided by ORS  
11 407.325. [*Except as provided in subsection (2) of this section, an eligible individual may not receive or,*  
12 *under ORS 407.305, assume more than two loans under this chapter.*] An applicant may not borrow  
13 more than the maximum amount allowed under this section, except that when a loan is made on  
14 property that is destroyed by fire or other natural hazard, taken through condemnation or lost or  
15 disposed of for a compelling reason devoid of fault on the part of the applicant and when the loan  
16 is repaid or the property is transferred by deed or otherwise, the loan may be excluded from con-  
17 sideration in computing the maximum loan allowable. However, the loan right provided in this sec-  
18 tion may be restored not more than once while an unrepaid balance remains on a previous loan  
19 granted to the applicant.

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

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

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1        [(3)] (2) For the purposes of this section, an applicant owns a home when the applicant has fee  
2 simple title to the home or is the purchaser of the home under a contract of sale or other instrument  
3 of sale. Earnest money or preliminary sales agreements, options or rights of first refusal are not  
4 contracts or instruments of sale under this subsection.

5        [(4)] (3) As used in this section, "home" includes mobile homes and houseboats.

6        **SECTION 2. This 2013 Act being necessary for the immediate preservation of the public**  
7 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
8 **on its passage.**

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