



Oregon

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Department of Veterans' Affairs

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Testimony on House Bill 4025: Clarification of Loan Limitation Amount

House Committee on
Veterans' Services and Emergency Preparedness
February 6, 2014

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House Bill 4025 will provide clarity and certainty to veterans and the Oregon Department of Veterans' Affairs regarding statutory loan limitations for home loans through the ORVET Home Loan Program.

Since 1945, ODVA has provided home and farm loans to eligible veterans. The statutory limitation on the dollar amount of these loans is tied to the maximum allowed for a single-family first mortgage by the Federal National Mortgage Association (Fannie Mae or FNMA). Currently, this amount is \$417,000; however, current statutory language is ambiguous whether this is a per loan amount or an aggregate amount.

A veteran may only obtain an ODVA home loan for the acquisition of the veteran's principal residence; therefore, a veteran may only have one ODVA loan at any time.

During the 2013 regular session, the Legislature passed Senate Bill 34, which increased the number of loans a veteran may obtain from ODVA from two to four loans during the veteran's lifetime. In addition, testimony on SB 34 stated that eligible veterans would be able to borrow up to the maximum amount of \$417,000 for each loan, in contrast to an "aggregate" amount of \$417,000 for all loans during a veteran's lifetime.

The passage of this bill would clarify that an eligible veteran may obtain up to four loans in the amount of \$417,000 each during the veteran's lifetime.

Thank you.