

House Bill 4025

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Veterans' Services and Emergency Preparedness)

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**.

Clarifies that maximum amount of home or farm loan made by Department of Veterans' Affairs to eligible individual applies to each loan.

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*] **A loan made under this section**, exclusive
8 of funds disbursed under ORS 407.145 (2) and 407.275 (4), may not exceed the maximum original
9 principal balance permitted on a single-family first mortgage loan by the Federal National Mortgage
10 Association, as published in its announcements and subsequently included in its Selling Guide, at a
11 rate of interest provided by ORS 407.325. An eligible individual may not receive or, under ORS
12 407.305, assume more than four loans under this chapter. An applicant may not borrow more than
13 the maximum amount allowed **for a loan** 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 **amount** allowable. However, the loan right provided in
18 this section may be restored not more than once while an unrepaid balance remains on a previous
19 loan granted to the applicant.

20 (2) For the purposes of this section, an applicant owns a home when the applicant has fee simple
21 title to the home or is the purchaser of the home under a contract of sale or other instrument of
22 sale. Earnest money or preliminary sales agreements, options or rights of first refusal are not con-
23 tracts or instruments of sale under this subsection.

24 (3) As used in this section, "home" includes mobile homes and houseboats.

25 **SECTION 2. This 2014 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**
27 **on its passage.**

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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.