

**HB 2847 STAFF MEASURE SUMMARY**

**House Committee On Veterans and Emergency Preparedness**

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**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 3/16

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**WHAT THE MEASURE DOES:**

Directs the Oregon Department of Veterans' Affairs (ODVA) to develop a program to provide loan guarantees to refinance eligible veterans' homes pursuant to contracts with financial institutions selected through a competitive process. Specifies content of contracts. Requires rulemaking to include fixed interest rates for the first five years of the contract and to prohibit interest rates more than three percent above the prime lending rate. Establishes the Veterans Refinancing and Reintegration Services Fund to receive monies as specified, for continuous appropriation to ODVA exclusively for program use. Requires the Governor's budget to include amounts sufficient to ensure solvency for each fiscal period.

*FISCAL: May have fiscal impact*

*REVENUE: May have revenue impact*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Oregon Department of Veterans' Affairs (ODVA) administers the ORVET home loan program for eligible veterans that is separate and in addition to federal VA Home Loan Guaranty benefits. Oregon citizens voted to establish the program after WW II and it is one of only six states to offer such a program. ODVA has successfully administered the ORVET home loan program for 75 years. It owns and services all of its loans and is required to make every effort to keep veterans in their homes. ODVA funds the program by selling tax exempt bonds, and loan repayments are, in turn, used to pay off the bonds. ODVA may not use proceeds from the sale of tax exempt bonds to refinance loans, and does not currently offer refinancing.

House Bill 2847 directs the ODVA to develop a program to provide loan guarantees in order to offer refinancing to qualified veterans.