

Requested by Representative EVANS

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2847**

1 On page 1 of the printed bill, delete lines 4 through 24 and delete pages  
2 2 and 3 and insert:

3 **“SECTION 1. (1) As used in this section:**

4 **“(a) ‘Financial institution’ means a bank, a commercial bank, a**  
5 **national bank, a savings bank, a savings and loan association, a credit**  
6 **union or other similar entity authorized to do business in this state.**

7 **“(b) ‘Provider’ means a financial institution or other provider of**  
8 **loan guarantees, coinsurance or other forms of credit guarantees.**

9 **“(c) ‘Qualified borrower’ means:**

10 **“(A) A veteran as defined in ORS 408.225;**

11 **“(B) A person who is a member of the Oregon National Guard who**  
12 **has been demobilized after serving on federal active duty for more**  
13 **than 30 days; or**

14 **“(C) A person who is an Oregon resident, is a member of the re-**  
15 **serves and has been demobilized after serving on federal active duty**  
16 **for more than 30 days.**

17 **“(2)(a) The Department of Veterans’ Affairs shall develop a program**  
18 **under which providers contracting with the department provide loan**  
19 **guarantees, coinsurance in conjunction with other providers of loan**  
20 **guarantee programs or other forms of credit guarantees for qualified**  
21 **borrowers for the purpose of refinancing existing purchase-money**

1 mortgages or similar mortgages of homes used primarily as principal  
2 residences by qualified borrowers.

3 “(b) The department may enter into contracts with one or more  
4 providers to implement the program.

5 “(c) A contract entered into between the department and a provider  
6 under this subsection must require the provider to finance and service  
7 loans and mortgages refinanced under the program. The contract must  
8 prohibit the provider from selling loans or mortgages refinanced under  
9 the program to a third party.

10 “(3) In administering the program, the department shall consult  
11 and cooperate with the providers contracting with the department  
12 under subsection (2) of this section. The program must be adminis-  
13 tered so that administrative procedures and application procedures are  
14 as responsive to the needs of qualified borrowers and providers as  
15 practicable, consistent with prudent investment and lending practices  
16 and criteria.

17 “(4) The department shall prescribe by rule the procedure for a  
18 provider to submit a loan or credit guarantee application to the de-  
19 partment on behalf of a qualified borrower.

20 “(5) When the department approves a loan or credit guarantee, the  
21 department shall enter into a loan or credit guarantee agreement with  
22 the provider. The department may enter into an agreement under this  
23 subsection only if sufficient funds are available in the Veterans Refi-  
24 nancing and Reintegration Services Fund established in section 2 of  
25 this 2017 Act. The agreement must specify:

26 “(a) The fee to be charged to the provider, if any;

27 “(b) The evidence of debt assurance of, and security for, the loan  
28 or credit guarantee;

29 “(c) A loan or credit guarantee that does not exceed 15 years;

30 “(d) That amounts that become due and payable, including interest,

1 under the agreement are payable solely from amounts available in the  
2 Veterans Refinancing and Reintegration Services Fund;

3 “(e) That amounts due and payable under the agreement do not  
4 constitute a debt of the state or a lending of the credit of the state  
5 within the meaning of any constitutional or statutory limitation, al-  
6 though nothing in this section or in the terms of an agreement entered  
7 into pursuant to this section is intended to impair the rights of the  
8 provider to exercise any rights granted to the providers against the  
9 security for the loan or credit guarantee; and

10 “(f) Other terms and conditions considered necessary or desirable  
11 by the department.

12 “(6) The department may not pay amounts due under a loan or  
13 credit guarantee agreement from any source other than available  
14 funds in the Veterans Refinancing and Reintegration Services Fund.  
15 If there are insufficient available funds to pay amounts due under a  
16 loan or credit guarantee agreement, the provider may exercise any  
17 rights granted to the provider in the agreement against the security  
18 for the loan or credit guarantee and may apply amounts so received  
19 toward payments due under the agreement.

20 “(7) The department, with due regard for the possibility of losses  
21 and administrative costs, shall set fees and other terms at levels suf-  
22 ficient to reasonably ensure that the program is self-financing.

23 “SECTION 2. (1) There is established in the State Treasury, sepa-  
24 rate and distinct from the General Fund, the Veterans Refinancing  
25 and Reintegration Services Fund. Interest earned on the Veterans  
26 Refinancing and Reintegration Services Fund must be deposited into  
27 the fund. All moneys in the fund are continuously appropriated to the  
28 Department of Veterans’ Affairs for the following purposes:

29 “(a) Payment of claims pursuant to contracts for loan or credit  
30 guarantees under section 1 of this 2017 Act.

1      **“(b) Payment of actual and necessary expenses incurred by the de-**  
2      **partment in administering the fund and establishing and maintaining**  
3      **the program developed under section 1 of this 2017 Act.**

4      **“(c) Repayment of transfers of funds required or authorized by law.**

5      **“(d) Purchase or buyout of superior or prior liens, mortgages or**  
6      **security interests.**

7      **“(2) Moneys in the Veterans Refinancing and Reintegration Services**  
8      **Fund consist of:**

9      **“(a) Moneys appropriated to the department by the Legislative As-**  
10     **sembly for deposit in the fund.**

11     **“(b) Proceeds from collateral assigned to the department.**

12     **“(c) Interest earned on moneys in the fund.**

13     **“(d) Transfers of moneys to the fund from any source.**

14     **“(e) Fees assessed for guarantees, as determined by the department**  
15     **by rule.**

16     **“(f) Moneys from gifts.**

17     **“(g) Moneys from any grant made to the department by any federal**  
18     **agency for deposit in the fund.**

19     **“SECTION 3. The Oregon Department of Administrative Services**  
20     **shall include in the Governor’s budget for each fiscal period amounts**  
21     **sufficient to permit the payment of all amounts that will be due on**  
22     **unpaid loan and credit guarantees under section 1 of this 2017 Act**  
23     **during that fiscal period.”.**

24