

Enrolled
House Bill 2140

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Department of Veterans' Affairs)

CHAPTER

AN ACT

Relating to veterans' loans; amending ORS 407.085 and 407.225.

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

SECTION 1. ORS 407.085 is amended to read:

407.085. As used in this chapter:

(1) "Acquisition" means the purchase, **improvement or refinancing** of a home or farm **or the payment of down payments or closing costs for such purposes**.

(2) "Bonds" includes, but is not limited to, serial bonds, term bonds, notes, obligations, lines of credit, revolving credit agreements, loans, financing agreements or other evidence of indebtedness determined by the Department of Veterans' Affairs, with the approval of the State Treasurer, to be necessary or desirable to provide funds for the purposes expressed in Article XI-A of the Oregon Constitution.

(3) "Fixed interest rate" means an interest rate on a home or farm loan that remains the same for the term of the loan.

(4)(a) "Home" means a residential structure, including a manufactured home or a condominium unit, which is established, maintained and used primarily as a principal residence by a veteran.

(b) "Home" includes real property connected to a residential structure, including any long-term leasehold and any outbuildings.

(5) "Manufactured home" means a structure that is:

(a) At least 20 feet in width;

(b) Constructed for movement on the public highways and that has sleeping, cooking and plumbing facilities;

(c) Intended for human occupancy;

(d) Being used for residential purposes;

(e) Classified and taxed as real property in the county where the structure is located; and

(f) Constructed in accordance with federal manufactured housing construction and safety standards adopted under ORS 446.155 or the National Manufactured Housing Construction and Safety Standards Act of 1974 (P.L. 93-383).

(6) "Trust deed" has the meaning given that term in ORS 86.705.

(7) "Variable interest rate" means an interest rate on a home or farm loan that may change periodically during the term of the loan.

SECTION 2. ORS 407.225 is amended to read:

407.225. (1) When the Department of Veterans' Affairs receives an application pursuant to ORS 407.205, the department shall immediately process the application.

(2) The security for the loan must consist of the property to be acquired by the applicant and must be secured by a mortgage or trust deed in the full amount of the loan.

(3) The mortgage or trust deed must:

(a) Be either a first lien on the property, **subject to subsection (4) of this section**, or a lien insured by mortgagee's title insurance against loss from any prior encumbrance; and

(b) Provide that the borrower, or any subsequent owner of the secured property, may pay all or any part of the loan at any time without penalty.

(4) The department may make subordinate loans secured by the same security if there are no intervening liens between the first lien of the department created under this section and the recorded liens securing repayment of such subordinate loans. Such consecutive liens, for the purposes of this chapter, shall be deemed collectively as a first lien upon the security.

Passed by House March 9, 2021

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate April 21, 2021

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2021

Approved:

.....M,....., 2021

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2021

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Shemia Fagan, Secretary of State