



Oregon

Kate Brown, Governor

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DATE: January 26, 2021
TO: House Committee on Veterans and Emergency Management
FROM: Jennifer Donovan, Legislative Director, Oregon Department of Veterans' Affairs
SUBJECT: HB 2140 – Oregon Veterans' Home Loans Housekeeping

Chair Evans and Members of the Committee,

Thank you for providing this opportunity to discuss the Oregon Department of Veterans' Affairs Veteran Home Loan program and supporting legislation. Oregon is one of only five states that offers a veteran home loan program. This Oregon benefit is separate and distinct from the federal VA Home Loan Guaranty and has loaned approximately \$8 billion in low-interest home loans to more than 334,000 veterans since 1945. HB 2140 provides a technical fix to ensure ODVA can seamlessly offer services to our veterans.

BILL SUMMARY

HB 2140 provides housekeeping to language within ORS Chapter 407. The measure reinstates explicit statutory authority for ODVA's Veteran Home Loan Program related to refinances and assistance for down payment assistance and closing costs.

BACKGROUND

Senate Bill 36, which passed in the 2019 Legislative Session, eliminated a number of statutory provisions that were outdated, or no longer used in administering the Loan Program. Inadvertently, the Department's explicit statutory authority for certain lending activities was also removed (e.g., limited loan refinances permitted under federal tax law).

DISCUSSION

Without explicit statutory authority, the ability of the department to provide certain lending activities could be called into question. Reinstating ODVA's explicit statutory authority to provide certain lending activities resolves this question. Additionally, the measure provides additional protection for the State if ODVA offers assistance for down-payment or closing cost assistance, making ODVA better positioned to recover funds in the event of default.

Ensuring ODVA has the explicit authority to provide certain lending activities, to the maximum extent provided for by law, while mitigating risk allows the loan program to operate to its fullest capacity and allows the greatest number of veterans to qualify for home loan products.

Thank you for your consideration, and your continued support of veterans.