

SB 676 STAFF MEASURE SUMMARY

Senate Committee On Veterans, Emergency Management, Federal and World Affairs

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/28, 3/4

WHAT THE MEASURE DOES:

The measure limits the interest rate to no more than the prime rate plus one percent for specified prior loans assumed by veterans, and for both fixed and variable interest rate home or farm acquisition loans to veteran applicants. The measure appropriates \$40 million to the Oregon Department of Veterans' Affairs for the 2025-2027 biennium for the purpose of advancing home and farm loans to qualified veterans.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Applicability of statute to loan assumption versus initiation of a new mortgage
- Federal versus Oregon veterans' home loan programs
- Awareness of veterans' home loan programs

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Article XI-A of the [Oregon Constitution](#) permits the State of Oregon to provide home and farm loans to qualified veterans via the Oregon War Veterans' Fund. This is a separate program from the VA Home Loan Guaranty, and the Oregon Department of Veterans' Affairs (ODVA) [states](#) it has provided \$8 billion of low-interest home loans to more than 334,000 veterans. The [prime rate](#) is an interest rate determined by individual banks as a reference rate for various loan types. The United States Federal Reserve does not set this rate, but reports it by the majority of the largest 25 banks. As of January 23, 2025, the prime rate is [7.5%](#).

Senate Bill 676 (2025) would limit interest rates for specified ODVA home and farm loans to the prime rate plus one percent, and it would appropriate \$40 million for these loans through the Oregon War Veterans' Fund for the 2025-2027 biennium.