

HB 2846 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Prepared By: Iva Sokolovska, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/10

WHAT THE MEASURE DOES:

The measure creates a loan guarantee programs for qualified veterans for the purpose of refinancing home mortgages in the Department of Veterans' Affairs and establishes the Veterans Refinancing and Reintegration Services Fund.

Detailed Summary:

- Directs the Department of Veterans' Affairs (ODVA) to develop a program to provide loan guarantees, coinsurance in conjunction with other providers of loan guarantee programs or other forms of credit guarantees for qualified veterans for the purpose of refinancing home mortgages.
- Directs ODVA to consult and cooperate with financial institutions to administer the program.
- Requires administrative procedures and application procedures to be responsive to the needs of qualified veterans and financial institutions.
- Directs ODVA to determine in rule the loan or credit guarantee application procedure for a financial institution on behalf of a qualified veteran and the eligibility standards for qualified veterans.
- Specifies requirement for loan or credit guarantee agreement between ODVA and a financial institution.
- Prohibits ODVA to amounts due under a loan or credit guarantee agreement from any source other than available funds in the Veterans Refinancing and Reintegration Services Fund.
- Directs ODVA to set fees and other terms at levels sufficient to reasonably ensure that the program is self-financing.
- Establishes Veterans Refinancing and Reintegration Services Fund.
- Continuously appropriates the money from the fund to ODVA for payment of claims pursuant to contracts for loan or credit guarantees; costs of administering the loan guarantee program; repayment or transfers of funds required or authorized by law; and purchase or buyout of superior or prior liens, mortgages, or security interests.
- Directs the Oregon Department of Administrative Services to include amounts sufficient to permit the payment of all amounts that will be due on unpaid loan and credit guarantees in the Governor's budget request to the Legislative Assembly for each fiscal period.

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

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

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Veterans seeking homeownership or housing assistance have access to a variety of programs at both the federal and state levels. The U.S. Department of Veterans Affairs (VA) offers guaranteed [home loans to eligible veterans](#), active-duty service members, and certain surviving spouses. These loans often require no down payment, have

HB 2846 STAFF MEASURE SUMMARY

competitive interest rates, and do not mandate private mortgage insurance. Beyond home loans, the VA provides benefits to help veterans buy, build, improve, or retain their homes. This includes [assistance](#) for adapting homes to accommodate service-connected disabilities. Another assistance program comes from the collaboration between the Department of Housing and Urban Development (HUD) and the VA, the HUD-Veterans Affairs Supportive Housing ([HUD-VASH](#)) program combines rental assistance with case management and clinical services to support homeless veterans.

The Oregon Housing and Community Services (OHCS) offers [down payment and closing cost assistance](#) to eligible first-time homebuyers, with 25% of these funds reserved specifically for Oregon veterans. Oregon also offers a [veteran home loan program](#). This Oregon benefit is separate and distinct from the federal VA Home Loan Guaranty and has lent approximately \$8 billion in low-interest home loans to more than 334,000 veterans since 1945. Home Ownership Assistance Program ([HOAP](#)) offers funding for eligible veterans who own and live in their homes, including manufactured homes, to address health and safety repairs, ensuring safe and stable housing. OHCS collaborates with federal and local agencies to provide [housing resources](#) for veterans in need, aiming to address challenges such as homelessness and housing instability.