

FINAL BILL REPORT

SHB 2471

C 252 L 06

Synopsis as Enacted

Brief Description: Creating a veteran homeownership downpayment assistance program.

Sponsors: By House Committee on Housing (originally sponsored by Representatives McCune, Miloscia, Dunn, Campbell, Linville, Morrell, Strow, O'Brien, Green, Sells, Chase and Holmquist).

House Committee on Housing

Senate Committee on Financial Institutions, Housing & Consumer Protection

Background:

Housing Finance Commission Home Buyer Programs

The Housing Finance Commission (HFC) is required in statute to provide a housing finance program for income-eligible first-time homebuyers. The HFC offers several financing programs including House Key and House Choice, which offer below-market-rate loans and down payment assistance, and also allow homebuyers to qualify for mortgages with higher loan to income or debt ratios and pay less closing costs than under conventional loan programs.

Although not required in statute, the HFC periodically develops supplemental programs to provide additional assistance to specific targeted populations. Such populations have included teachers, low-income rural residents, residents of a specific area, and disabled individuals.

Federal Veteran Affairs Home Loan Program

The federal Veteran Affairs (VA) Home Loan Program is a loan guarantee program wherein the federal government guarantees part of the total home loan for eligible veteran home buyers. This guarantee permits a purchaser to obtain a competitive interest rate, sometimes without a down payment, depending upon the lender. The lender is protected against the loss if the borrower fails to repay the loan, up to the amount of the guaranty.

Summary:

The HFC must create and implement a down payment assistance homeownership program to assist veterans in purchasing a home. This program must work in conjunction with other HFC housing finance programs.

The program will assist the following:

- (1) Washington veterans;
- (2) members and former members of the Washington National Guard and reserve; and
- (3) never remarried spouses, and dependent children of deceased, eligible veterans.

The statute defining veterans and referencing programs in which veterans may participate, includes a reference to the HFC downpayment assistance home ownership program.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 7, 2006