
Housing Committee

HB 2471

Brief Description: Creating a veteran homeownership program.

Sponsors: Representatives McCune, Miloscia, Dunn, Campbell, Linville, Morrell, Strow, O'Brien, Green, Sells, Chase and Holmquist.

Brief Summary of Bill
<ul style="list-style-type: none">Requires the Housing Finance Commission (HFC) to create and implement a veteran homeownership program by January, 2007.

Hearing Date: 1/17/06

Staff: Robyn Dupuis (786-7166).

Background:

Housing Finance Commission Home Buyer Programs

The HFC is required in statute to provide a housing finance program for income eligible first-time homebuyers. This requirement is fulfilled through the HFC's House Key program which offers below-market-rate loans and down payment assistance, and also allows homebuyers to qualify for mortgages with higher loan ratios and pay less closing costs than under conventional loan programs.

Although not required in statute, the HFC operates several additional home buyer programs which provide assistance to specific targeted populations including teachers, low-income rural residents, Seattle-residents (through a partnership with the City of Seattle) and disabled individuals.

Federal Veteran Affairs (VA) Home Loan Program

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

Summary of Bill:

The HFC must create and implement a homeownership program to assist veterans' purchase a home, and to assist disabled veterans (injured in the line of duty), make adaptations to a home to be purchased or to a home currently owned.

The program shall be available to the following:

1. Washington state veterans eligible for Washington veterans' benefits;
2. Members and former members of the Washington national guard and reserve who have completed six years of continuous service under honorable conditions; and
3. Never remarried spouses, and dependent children of deceased, eligible veterans.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.