

SENATE BILL REPORT

SHB 2471

As Reported By Senate Committee On:
Financial Institutions, Housing & Consumer Protection, February 21, 2006

Title: An act relating to creating a veteran homeownership program.

Brief Description: Creating a veteran homeownership downpayment assistance program.

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

Brief History: Passed House: 2/14/06, 98-0.

Committee Activity: Financial Institutions, Housing & Consumer Protection: 2/21/06 [DPA].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Berkey, Vice Chair; Benton, Ranking Minority Member; Benson, Brandland, Finkbeiner, Franklin, Keiser and Spanel.

Staff: Jennifer Arnold (786-7471)

Background: Housing Finance Commission (HFC) Home Buyer Programs

The HFC is required by 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 provide below-market-rate loans and down payment assistance.

In addition to the statutorily required programs, supplemental programs are periodically developed by the HFC to provide additional assistance to specific targeted populations including teachers, low-income rural residents, residents of a specific area, and disabled individuals.

Federal Veteran Affairs (VA) Home Loan Program

The VA Home Loan Program is a loan guarantee program, under which part of the total home loan is guaranteed by the federal government. This guarantee permits an eligible buyer to obtain a competitive interest rate, as well as a no down payment requirement, 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 of Amended Bill: 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 existing HFC housing finance programs and is available to the following buyers: (1) Washington veterans, as defined by statute; (2) members and

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

Amended Bill Compared to Original Bill: Technical corrections to internal RCW references are made.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill creates a great program on the state level to work with the federal Veterans Affairs' program. It is a good opportunity to assist the men and women who are serving to keep our country safe.

Testimony Against: None.

Who Testified: PRO: Representative McCune.