

HJR

25



Representative Beth Kerttula

Alaska State Legislature District 3

Sponsor Statement House Joint Resolution 25 Supporting Veterans Home Ownership Act

Alaska is one of five states participating in the Veterans Homeownership Program, which makes low-interest home loans available to veterans who served before 1977 and apply within 30 years of leaving active military duty. Unless Congress takes action to extend the program, its effectiveness will dwindle as less and less veterans qualify.

With about 70,500 veterans, Alaska has the largest per capita population of veterans in the United States. Approximately 11,700 Alaskan veterans have benefited from the program since 1983. During the first three years of the program, over 1,000 veterans per year qualified for the loan. Last fiscal year, the number was down to 57.

The American Veterans Homeownership Act, repealing the pre-1977 service requirement, was inserted into the Tax Reconciliation Bill last year. The U.S. House of Representatives approved a version of the Tax Reconciliation Bill with the language, but the U.S. Senate's version doesn't have the language.

HJR 25 urges Congress to approve the American Veterans Homeownership Act language in the U.S. House version of the Tax Reconciliation Bill. This program is a way for our nation to express its gratitude to those who have served in the armed forces and should be extended to benefit current and future veterans.

Veterans Mortgage Program (VMP)

Please note: This program is not the same as a Veterans Administration (VA) Guaranteed Loan. However, a VA Guarantee may be used with this program.

Under this program, certain eligible veterans may obtain financing at a lower interest rate, because the funds come from tax-exempt bonds.

Eligible Properties

Owner-occupied, single-family residences, condos, PUDs, Type 1 mobile homes, and duplex, triplex, and four-plex dwellings are eligible for this program. On multi-family dwellings, all units must have been in existence and initially occupied as a multi-family dwelling at least five years immediately preceding execution of the new mortgage.

Terms

Loan is a fixed interest rate and may be either a 15-year or 30-year loan.

Interest Rates

Interest rates for this program fluctuate. For the current rate, contact an AHFC-approved lender, or AHFC's interest rate hotline or Web site.

Loan Limits

Loan limits periodically change. For the most current loan limits, contact any AHFC-approved lender.

Borrowers' Eligibility

A person is a qualified veteran for purposes of this program if the person satisfies the following requirements:

The person has served on full-time duty, other than for training, in a branch of the Armed Forces; AND

- ◆ **was on active duty* prior to January 1, 1977; AND**
- ◆ **was not discharged from active duty more than 30 years prior to the date of submission of the loan file to AHFC; AND**
- ◆ **if retired, discharged, or released, separation was under conditions other than dishonorable.**

*** Active duty which began after 1/1/77 is ineligible, even if the veteran enlisted under a deferred entry prior to that date.**

This program is also available to certain individuals in the Public Health Service and military academies, or certain individuals in NOAA or CGS. Contact your lender for qualifying criteria if you are in one of these career fields.

If there is more than one borrower and the applicants are unmarried, then both borrowers must be qualified veterans.

Documentation Required

The following two items must be submitted to determine the borrower's eligibility: (1) DD-214 or Statement of Service and (2) Certificate of Veteran Eligibility or Title 38 Letter.

Down Payment Required

Conventional loans require a minimum down payment of 5% on a single-family residence and 10% on a duplex. A minimum of 20% down is required on all triplex and four-plex residences for conventional financing.

If the loan is federally insured or guaranteed—Veterans Administration (VA), USDA Rural Development (RD), or Federal Housing Administration (FHA)—the down payment required is generally lower.

Assumptions

Loans made under VMP are assumable by buyers who qualify under this program.

Available Combinations

In addition to possible use of FHA, VA, or RD, this program may be combined with other AHFC programs, including Energy Efficiency Interest-Rate Reduction (EEIRR) Program, Interest-Rate Reduction for Low-Income Borrowers (IRRLIB) Program, and Affordable Housing Enhanced Loan Program (AHELP), provided both borrower and property meet all the program criteria for any combined programs used.

Alaska Housing Finance Corporation
4300 Boniface Parkway
PO Box 101020
Anchorage, AK 99510-1020
907-338-6100
1-800-478-AHFC (2432)

Interest Rate Hotline
907-330-8400
1-888-854-3884
(toll-free statewide)

www.ahfc.us

How To Apply

To apply for an AHFC mortgage, contact any AHFC-approved lender. **Note: Other lenders may originate AHFC loans in partnership with an AHFC-approved lender.**

AHFC Lenders

- Alaska First Bank & Trust
- Alaska Pacific Bank
- Alaska USA Mortgage Company
- Central Pacific Mortgage Company
- Countrywide Home Loans
- Denali State Bank
- First Bank
- First National Bank Alaska
- GMAC
- Guild Mortgage
- Homestate Mortgage Company
- Kodiak Island Housing Authority
- Mt. McKinley Mutual Savings Bank
- Northern Schools Federal Credit Union
- Pacific Alaska Mortgage
- Residential Mortgage
- Seattle Mortgage Company
- Tlingit-Haida Regional Housing Authority
- Wells Fargo Home Mortgage

Veterans Mortgage Program (VMP)

Feb 2, 2006

To: Hannah
From: Dennis

QVMB program statistics FY 1998 – FY 2006

<u>FY Year</u>	<u>number of loans</u>	<u>dollar volume</u>
1998	597	93,885,910
1999	540	91,249,038
2000	496	85,877,200
2001	430	73,184,764
2002	315	59,339,089
2003	187	38,782,068
2004	125	25,472,549
2005	57	12,260,899
2006 (thru 01/31)	27	7,291,794

United States Senate

WASHINGTON, DC 20510

January 13, 2006

The Honorable Charles Grassley
Chairman
Committee on Finance
Subcommittee on Defense
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Max Baucus
Ranking Member
Committee on Finance
Subcommittee on Defense
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Grassley and Senator Baucus:

We are writing to request your support for Section 303 (Veterans' Mortgage Bonds) of the House's version of the Tax Reconciliation bill. We strongly urge you to support its inclusion in the final conference report.

Under current law, California, Texas, Wisconsin, Oregon, and Alaska have the ability to issue tax-exempt bonds, the proceeds of which are used to finance mortgage loans to veterans. These loans can only be made to veterans who served on active duty before 1977 and who applied for the financing within 30 years of the last date of their active service. As a result of these limits, veterans of Operation Iraqi Freedom, Operation Enduring Freedom, Kosovo, Bosnia, Haiti, Somalia and the 1991 Persian Gulf War are not eligible for these mortgage loans.

Section 303 of the House bill would repeal the requirement that veterans receiving loans must have served in the military before 1977. This change would ensure that we can continue to honor and reward our veterans by offering them low-cost home loans. Our veterans deserve this benefit, and we urge you to work to see that Section 303 is retained in the final conference agreement.

Thank you for working with us on this important issue.


Sincerely,



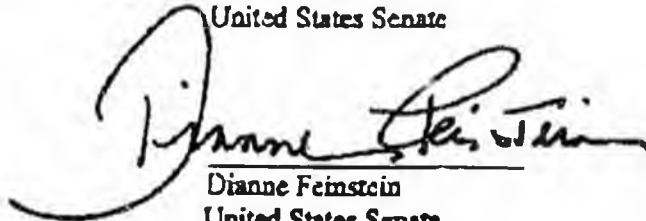
Gordon H. Smith
United States Senate



Herb Kohl
United States Senate



Lisa Murkowski
United States Senate



Dianne Feinstein
United States Senate

Ron Wyden
Ron Wyden
United States Senate

John Cornyn
John Cornyn
United States Senate

Barbara Boxer
Barbara Boxer
United States Senate

Russell D. Feingold
Russell D. Feingold
United States Senate

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H.R.4297

Tax Relief Extension Reconciliation Act of 2005 (Engrossed as Agreed to or Passed by House)

SEC. 303. VETERANS' MORTGAGE BONDS.

(a) All Veterans Eligible for State Home Loan Programs Funded by Qualified Veterans' Mortgage Bonds-

(1) IN GENERAL- Paragraph (4) of section 143(l) (defining qualified veteran) is amended--

(A) by striking 'at some time before January 1, 1977' in subparagraph (A), and

(B) by striking subparagraph (B) and inserting the following:

'(B) who applied for the financing before the date 25 years after the last date on which such veteran left active service.'

(2) EFFECTIVE DATE- The amendments made by this subsection shall apply to financing provided after the date of the enactment of this Act.

(b) Revision of State Veterans Limit-

(1) IN GENERAL- Subparagraph (B) of section 143(l)(3) (relating to volume limitation) is amended to read as follows:

'(B) STATE VETERANS LIMIT-

'(I) IN GENERAL- A State veterans limit for any calendar year is the amount equal to--

(I) \$53,750,000 for the State of Texas,

- ' (II) \$66,250,000 for the State of California,
- ' (III) \$25,000,000 for the State of Oregon,
- ' (IV) \$25,000,000 for the State of Wisconsin, and
- ' (V) \$25,000,000 for the State of Alaska.

' (ii) PHASEIN- In the case of calendar years beginning before 2010, clause (i) shall be applied by substituting for each of the dollar amounts therein by the applicable percentage. For purposes of the preceding sentence, the applicable percentage shall be determined in accordance with the following table:

Applicable	
Calendar Year:	
percentage is:	
20 percent	2006
40 percent	2007
60 percent	2008
80 percent.	2009

' (iii) TERMINATION- The State veterans limit for any calendar year after 2010 is zero.'

(2) EFFECTIVE DATE- The amendment made by this subsection shall apply to bonds issued after December 31, 2005.

SEC. 304. CAPITAL GAINS TREATMENT FOR CERTAIN SELF-CREATED MUSICAL WORKS.

(a) In General- Subsection (b) of section 1221 (relating to capital asset defined) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

**Statement of
Congressman Paul Ryan (WI-01)
On the introduction of
The American Veterans Homeownership Act of 2005
June 16, 2005**

Mr. Speaker, I, along with Congressman Wally Herger, introduced today, the American Veterans Homeownership Act of 2005, and I ask my colleagues to support this legislation.

As you know, under current law, the States of Alaska, California, Oregon, Texas and my home state of Wisconsin, have the authority to issue tax-exempt bonds, which are called Qualified Veterans Mortgage Bonds (QVMBs). The proceeds of these bonds are used to finance mortgage loans to veterans who served on active duty before 1977 and who applied for the financing before the date of 30 years after the last date of which the veteran left active service.

As a result of the limits under current law, veterans of Operation Iraqi Freedom, Operation Enduring Freedom, Kosovo, Bosnia, Haiti, Somalia and the 1991 Persian Gulf War are not eligible for these mortgage loans that are financed by QVMBs. In addition, the QVMB program has, in effect, ended or is ending in the five affected states due to the current 30-year time limitation.

My legislation, the American Veterans Homeownership Act of 2005, would allow all veterans in these five States to be eligible for QVMB-financed mortgage loans by repealing the requirement that veterans receiving loans financed by QVMBs must have served before 1977 and would provide new State limits for these bonds. These veterans deserve the homeownership opportunities this program provides. I ask my colleagues to join me in supporting these veterans and cosponsor this important legislation.

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American Veterans Homeownership Act of 2005 (Introduced In House)

HR 2952 IH

109th CONGRESS

1st Session

H. R. 2952

To amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage bond financing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

June 16, 2005

Mr. RYAN of Wisconsin (for himself and Mr. HERGER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage bond financing, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'American Veterans Homeownership Act of 2005'.

SEC. 2. ALL VETERANS ELIGIBLE FOR STATE HOME LOAN

PROGRAMS FUNDED BY QUALIFIED VETERANS' MORTGAGE BONDS.

(a) In General- Section 143(l)(4) of the Internal Revenue Code of 1986 (defining qualified veteran) is amended--

(1) by striking 'at some time before January 1, 1977' in subparagraph (A), and

(2) by striking subparagraph (B) and inserting the following:

'(B) who applied for the financing before the date 25 years after the last on which such veteran left active service.'

(b) Effective Date- The amendments made by this section shall apply to financing provided and mortgage credit certificates issued after June 30, 2005.

SEC. 3. REVISION OF STATE VETERANS LIMIT.

(a) In General- Subparagraph (B) of section 143(l)(3) of the Internal Revenue Code of 1986 (relating to volume limitation) is amended to read as follows:

'(B) STATE VETERANS LIMIT- A State veterans limit for any calendar year is the amount equal to--

'(i) \$215,000,000 for the State of Texas,

'(ii) \$265,000,000 for the State of California,

'(iii) \$100,000,000 for the State of Oregon,

'(iv) \$100,000,000 for the State of Wisconsin, and

'(v) \$100,000,000 for the State of Alaska.'

(b) Effective Date- The amendment made by this section shall apply to bonds issued after December 31, 2005.

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FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1 **CORRECTED**
 Bill Version: CSHJR 25(MLV)
 (H) Publish Date: 2/17/2006

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Supporting Veterans Homeownership RDU _____
 Component _____
 Sponsor Representative Kerttula
 Requester House Military & Veterans' Affairs Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Nancy Manly, Committee Aide Phone 907-465-2794
 Division: House Special Committee on Military and Veterans' Affairs Date/Time 2/17/06 12:00 AM
 Approved by: Representative Lynn, Chair Date 2/17/2006
 Agency: _____