

Assembly Bill No. 697

CHAPTER 368

An act to amend Section 987.85 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 30, 2011. Filed with
Secretary of State September 30, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 697, V. Manuel Pérez. Veteran: acquisition of home: interest of record.

The Veterans' Farm and Home Purchase Act of 1974 authorizes the Department of Veterans Affairs to assist veterans in acquiring homes and farms by generally providing that the department may purchase a farm or home which the department then sells to a purchaser, as defined. Existing law prohibits the department, except in limited circumstances, from acquiring a home in which the veteran has an interest of record.

This bill would authorize the department to acquire a home for the purpose of refinancing an existing mortgage loan that is not an existing loan acquired under the Veterans' Farm and Home Purchase Act of 1974. This bill would require the department to adopt and publish rules and regulations, as specified.

The people of the State of California do enact as follows:

SECTION 1. Section 987.85 of the Military and Veterans Code is amended to read:

987.85. (a) The department shall not acquire a home in which the veteran has an interest of record except in the following instances:

(1) Where the application is for aid for the construction of a home upon real property owned by the applicant and the improvements to be constructed thereon have not reached completion as evidenced by the issuance of a certificate of occupancy.

(2) Where the veteran had no interest of record in the property at the time of filing his or her application and thereafter secured interim financing pending the processing and approval of the application by the department.

(3) Where the application is for the purchase of a mobilehome to be situated upon real property, or an undivided interest therein, owned by the applicant.

(4) Where the applicant is an Indian veteran and the application is for the construction of a dwelling house or other improvements on, or for the

purchase of a mobilehome to be sited on, trust land in which the Indian veteran has a beneficial interest or owns an interest of record.

(5) Where the application is for assistance to enable the veteran to purchase his or her space, or share in a mobilehome park, which is converted from a rental park to a nonprofit corporate resident-owned park or subdivision, cooperative, or condominium for mobilehomes, in which the veteran resides in his or her mobilehome. A veteran applying for assistance under this subdivision shall not be required to have his or her mobilehome reinstalled on a permanent foundation system as a condition of receiving the proceeds of the loan to purchase his or her space or share of the park. This subdivision shall be implemented by the department only to the extent that expenditures for the kind of financial assistance to veterans enumerated herein conform to the requirements of federal tax law with regard to the tax-exempt status of funding instruments utilized to provide the assistance.

(b) Notwithstanding subdivision (a), the department may acquire a home for the purpose of refinancing an existing mortgage loan that is not a mortgage loan acquired under the Veterans' Farm and Home Purchase Act of 1974, known as the Cal-Vet loan program.

(1) The certain funds used by the department for the purposes described in this subdivision shall be used in accordance with federal laws and regulations governing the use of qualified mortgage bonds and qualified veterans' mortgage bonds.

(2) The department shall, consistent with the purposes of this article, adopt and publish rules and regulations that are necessary to implement this section.