2003 SENATE BILL 546

March 10, 2004 – Introduced by Senators BRESKE, ROESSLER, WIRCH, DECKER and HANSEN, cosponsored by Representatives Petrowski, Musser, Schneider, Turner, Boyle, Krawczyk, Hines, M. Lehman, Suder and McCormick. Referred to Committee on Homeland Security, Veterans and Military Affairs and Government Reform.

1 AN ACT *to renumber and amend* 45.356 (12); and *to create* 45.356 (12) (b) of 2 the statutes; **relating to:** veterans personal loans and granting rule-making 3 authority

Analysis by the Legislative Reference Bureau

Under current law, the Department of Veterans Affairs (DVA) may make a personal loan to a veteran of up to \$25,000, or a lesser amount established by DVA based on financial markets, funds available, and other relevant factors. Currently, if the loan is for more than \$5,000, it must be evidenced by a promissory note and secured by a mortgage on real estate. If the loan is for less than that amount, it must be evidenced by a promissory note and may be secured by a mortgage or a guarantor.

This bill allows DVA to set an amount, not to exceed \$15,000, that may be loaned to a veteran and secured by a mortgage or a guarantor.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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SECTION 1. 45.356 (12) of the statutes, as created by 2003 Wisconsin Act 83, is

5 renumbered 45.356 (12) (a) and amended to read:

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1	45.356 (12) (a) Each loan made under this section, except a loan of $\$5,000$ or
2	less up to \$15,000 made to an applicant whose total indebtedness for loans made
3	under this section is $5,000$ <u>15,000</u> or less shall be evidenced by a promissory note
4	and secured by a mortgage on real estate located in this state. A loan of $\$5,000$ or
5	less up to \$15,000 made to an applicant whose total indebtedness for loans made
6	under this section is $5,000$ $515,000$ or less shall be evidenced by a promissory note
7	and secured by a guarantor or by a mortgage on real estate located in this state. A
8	mortgage securing a loan made under this section is acceptable if the applicant has
9	equity in the property subject to the mortgage equal to or exceeding a minimum
10	amount that the department establishes by rule.
10 11	amount that the department establishes by rule. SECTION 2. 45.356 (12) (b) of the statutes is created to read:
11	SECTION 2. 45.356 (12) (b) of the statutes is created to read:
11 12	SECTION 2. 45.356 (12) (b) of the statutes is created to read: 45.356 (12) (b) The department shall promulgate rules that establish the
11 12 13	SECTION 2. 45.356 (12) (b) of the statutes is created to read: 45.356 (12) (b) The department shall promulgate rules that establish the criteria the department shall use for determining the maximum loan amount under
11 12 13 14	 SECTION 2. 45.356 (12) (b) of the statutes is created to read: 45.356 (12) (b) The department shall promulgate rules that establish the criteria the department shall use for determining the maximum loan amount under par. (a) that may be secured by a guarantor.
11 12 13 14 15	 SECTION 2. 45.356 (12) (b) of the statutes is created to read: 45.356 (12) (b) The department shall promulgate rules that establish the criteria the department shall use for determining the maximum loan amount under par. (a) that may be secured by a guarantor. SECTION 3. Effective dates. This act takes effect on the day after publication,
11 12 13 14 15 16	 SECTION 2. 45.356 (12) (b) of the statutes is created to read: 45.356 (12) (b) The department shall promulgate rules that establish the criteria the department shall use for determining the maximum loan amount under par. (a) that may be secured by a guarantor. SECTION 3. Effective dates. This act takes effect on the day after publication, except as follows:

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(END)