

1           **45.02 Eligibility for benefits.** (1) Any person whose service on active duty  
2 with the U.S. armed forces or in forces incorporated as part of the U.S. armed forces  
3 makes that person eligible for general U.S. department of veterans affairs benefits  
4 shall be considered to have served under honorable conditions for purposes of this  
5 chapter.

6           (2) Except as provided in sub. (3), to be eligible for benefits under this chapter  
7 an applicant shall be a resident of and living in this state at the time of making  
8 application or the veteran from whom the applicant derives eligibility is deceased,  
9 and the veteran from whom eligibility is derived meets one of the following  
10 conditions:

11           (a) His or her selective service local board, if any, and home of record at the time  
12 of entry or reentry into active service as shown on the veteran's report of separation  
13 from the U.S. armed forces for a qualifying period were in this state.

14           (b) The veteran was a resident of this state at the time of entry or reentry into  
15 active duty.

16           (c) The veteran was a resident of this state for any consecutive 12-month period  
17 after entry or reentry into service and before the date of his or her application or  
18 death.

19           (3) Veterans who are otherwise eligible and who are serving on active duty in  
20 the U.S. armed forces need not be living in this state on the date of application to  
21 qualify for benefits from the department.

22           (4) If the department determines that a person applying for a benefit under this  
23 chapter meets the residency requirement under sub. (2) (c), the department may not  
24 require the person to reestablish that he or she meets that residency requirement

1 when he or she later applies for any other benefit under this chapter that requires  
2 that residency.

3 **45.03 Department of veterans affairs. (1) POLICY.** It is the policy of the  
4 state to give health, educational, and economic assistance to veterans and their  
5 dependents who are residents of this state to the extent and under the conditions  
6 determined by the board within the limitations set forth in this section.

7 **(2) BOARD FUNCTIONS.** The board may promulgate rules necessary to carry out  
8 the purposes of this chapter and the powers and duties conferred upon it. The records  
9 and files of the department of military affairs and of any other state department or  
10 officer shall, upon request, be made available to the board.

\*\*\*\*NOTE: Under current s. 45.35 (7a), DVA is required to provide the register of  
deeds in every county with the names of all persons from the county who died while in  
the service during wars ranging from the Spanish-American War through the Vietnam  
War. After consulting with registers of deeds and determining that they have not been  
receiving such lists, the subcommittee concluded that the requirement is outdated and  
should be removed.

11 **(3) COUNCIL ON VETERANS PROGRAMS. (a)** The council on veterans programs  
12 created under s. 15.497 shall advise the board and the department on solutions and  
13 policy alternatives relating to the problems of veterans.

14 **(b)** The council on veterans programs and the department, jointly or separately,  
15 shall submit a report regarding the council on veterans programs to the chief clerk  
16 of each house of the legislature for distribution to the legislature under s. 13.172 (2)  
17 by September 30 of every odd-numbered year. The report shall include a general  
18 summary of the activities and membership over the past 2 years of the council and  
19 each organization on the council.

20 **(4) DEPARTMENT STAFF. (a)** The department shall employ staff necessary to  
21 carry out its functions. The secretary shall appoint under the classified service such  
22 persons as are necessary to carry out the policy of the board. All persons appointed

1 by the department shall, if possible, be veterans and preference shall be given to  
2 disabled veterans.

3 (b) The department upon request shall assist without charge all persons  
4 residing in the state having claims against the United States where the claims have  
5 arisen out of or by reason of service in the U.S. armed forces. The department may  
6 act as agent or power of attorney in pursuing claims for persons requesting the  
7 department to do so.

8 (c) The department shall employ regional coordinators. The duties of a regional  
9 coordinator shall include providing direct claims and benefit application assistance  
10 to veterans. The regional coordinators shall coordinate claims and benefit  
11 application assistance with the appropriate county veterans service officers to  
12 maximize the level of assistance and benefits provided to veterans.

13 (d) The department shall employ claims officers. The claims officers shall  
14 provide federal claims and benefit assistance to veterans and shall be based in the  
15 department's regional office in Milwaukee County.

16 (e) The department shall employ mobile claims officers in each of the  
17 department's regions. The mobile claims officers shall provide claims and benefit  
18 assistance to veterans. The mobile claims officers shall coordinate that claims and  
19 benefit assistance with the appropriate county veterans service officers to maximize  
20 the level of assistance and benefits provided to veterans.

21 **(5) DEPARTMENT POWERS TO PROVIDE STRUCTURES, FACILITIES, AND PERMANENT**  
22 **IMPROVEMENTS.** (a) In this subsection, unless the context requires otherwise:

23 1. "Existing building" in relation to any conveyance, lease, or sublease made  
24 under par. (c) 1. means all detention, treatment, administrative, recreational,  
25 infirmary, hospital, vocational, and academic buildings; all dormitories and cottages;

1 all storage facilities, heating plants, sewage disposal plants, and other buildings,  
2 structures, facilities, and permanent improvements that in the judgment of the  
3 board are needed or useful for the purposes of the department, and all equipment for  
4 them and all improvements and additions to them that were erected, constructed, or  
5 installed prior to the making of the conveyance, lease, or sublease.

6 2. “New building” in relation to any conveyance, lease, or sublease made under  
7 par. (c) 1. means all detention, treatment, administrative, recreational, infirmary,  
8 hospital, vocational, and academic buildings; all dormitories and cottages; all  
9 storage facilities, heating plants, sewage disposal plants, and other buildings,  
10 structures, facilities, and permanent improvements as in the judgment of the board  
11 are needed or useful for the purposes of the department, and all equipment for them  
12 and all improvements and additions to them that are erected, constructed, or  
13 installed after the making of the conveyance, lease, or sublease.

14 3. “Nonprofit corporation” means a nonstock corporation that is organized  
15 under ch. 181 and that is a nonprofit corporation, as defined in s. 181.0103 (17).

16 (b) The department may acquire by gift, purchase, or condemnation property  
17 for the purposes of providing a headquarters and museum building for the  
18 department.

19 (c) 1. To provide new buildings and to enable the construction and financing of  
20 new buildings, to refinance indebtedness created by a nonprofit corporation for the  
21 purpose of providing a new building or buildings or additions or improvements to a  
22 new building that is located on land owned by, or owned by the state and held for, the  
23 department or on lands of the institutions under the jurisdiction of the department  
24 or by the nonprofit corporation, or for any one or more of these purposes, the  
25 department has the following powers and duties:

1           a. Without limitation by reason of any other provisions of the statutes, unless  
2 otherwise required by law, the power to sell and to convey title in fee simple to a  
3 nonprofit corporation any land and any existing buildings owned by the state that  
4 are under the jurisdiction of the department for the consideration and upon the  
5 terms and conditions as in the judgment of the board are in the public interest.

6           b. Unless otherwise required by law, the power to lease to a nonprofit  
7 corporation for a term or terms not exceeding 50 years each any land and any existing  
8 buildings owned by the state that are under the jurisdiction of the department upon  
9 the terms and conditions as in the judgment of the board are in the public interest.

10          c. The power to lease or sublease from the nonprofit corporation, and to make  
11 available for public use, any land, or any land and existing buildings conveyed or  
12 leased to such nonprofit corporation under subd. 1. a. and b., and any new buildings  
13 erected upon such land or upon any other land owned by the nonprofit corporation,  
14 upon the terms, conditions, and rentals, subject to available appropriations, as in the  
15 judgment of the board are in the public interest.

16          d. The duty to submit the plans and specifications for all new buildings to the  
17 building commission for approval whenever required by law and to submit plans and  
18 specifications for all new buildings and all conveyances, leases, and subleases made  
19 under this subsection to the department of administration and the governor for  
20 written approval before they are finally adopted, executed, and delivered.

21          e. The power to pledge and assign all or any part of the revenues derived from  
22 the operation of any land or new buildings as security for the payment of rentals due  
23 and to become due under any lease or sublease of new buildings under subd. 1. c.

24          f. The power to covenant and agree in any lease or sublease of any land or new  
25 buildings made under subd. 1. c. to impose fees, rentals, or other charges for the use

1 and occupancy or other operation of new buildings in an amount calculated to  
2 produce net revenues sufficient to pay the rentals due and to become due under the  
3 lease or sublease.

4 g. The power to apply all or any part of the revenues derived from the operation  
5 of any land or existing buildings to the payment of rentals due and to become due  
6 under any lease or sublease made under subd. 1. c.

7 h. The power to pledge and assign all or any part of the revenues derived from  
8 the operation of any land or existing buildings to the payment of rentals due and to  
9 become due under any lease or sublease made under subd. 1. c.

10 i. The power to covenant and agree in any lease or sublease made under subd.  
11 1. c. to impose fees, rentals, or other charges for the use and occupancy or other  
12 operation of any land or existing buildings in an amount calculated to produce net  
13 revenues sufficient to pay the rentals due and to become due under the lease or  
14 sublease.

15 j. The power and duty, upon receipt of notice of any assignment by any nonprofit  
16 corporation of any lease or sublease made under subd. 1. c., or of any of its rights  
17 under any sublease, to recognize and give effect to the assignment, and to pay to the  
18 assignee rentals or other payments then due or that may become due under any lease  
19 or sublease that has been assigned by the nonprofit corporation.

20 2. The state shall be liable for accrued rentals and for any other default under  
21 any lease or sublease made under subd. 1. c., and may be sued for the accrued rentals  
22 or other default on contract as in other contract actions under ch. 775, except that  
23 the lessor under the lease or sublease or any assignee of the lessor or any person or  
24 other legal entity proceeding on behalf of the lessor is not required to file any claim  
25 with the legislature prior to the commencement of the action.

1           3. Nothing in this subsection empowers the board or the department to incur  
2 any state debt.

3           4. All powers and duties conferred upon the board or the department under this  
4 subsection shall be exercised and performed by resolution of the board. All  
5 conveyances, leases, and subleases made under this subsection, when authorized by  
6 resolution of the board, shall be made, executed, and delivered in the name of the  
7 department and shall be signed by the secretary and sealed with the seal of the  
8 department.

9           5. All laws, conflicting with any provisions of this subsection, are, insofar as  
10 they conflict with this section and no further, superseded by this subsection.

11           **(6) COORDINATION DUTIES.** The department shall coordinate the activities of all  
12 state agencies and the University of Wisconsin Hospitals and Clinics Authority  
13 performing functions relating to the medical, hospital, or other remedial care;  
14 placement and training; and educational, economic, or vocational rehabilitation of  
15 veterans. In particular, the department shall coordinate the activities of the  
16 technical college system board, state selective service administration, department  
17 of health and family services, department of workforce development, department of  
18 public instruction, the University of Wisconsin System and other educational  
19 institutions, the University of Wisconsin Hospitals and Clinics Authority, and all  
20 other departments or agencies performing any of the functions specified, to the end  
21 that the benefits provided in this section may be made available to veterans as  
22 promptly and effectively as possible.

23           **(7) CONTACT DUTIES.** The department shall maintain contacts with county  
24 veterans service officers and local agencies, the American Red Cross, and veterans  
25 organizations concerned with the welfare of veterans and shall contact and cooperate

1 with federal agencies in securing for veterans all benefits to which they may be  
2 entitled.

3 (8) MINORS' EXECUTION OF DOCUMENTS; BENEFITS EXEMPT FROM EXECUTION. (a) Any  
4 minor who is a veteran and any minor who is the spouse, surviving spouse, or child  
5 of a veteran may execute notes, mortgages, and other contracts and conveyances to  
6 the department and the notes, mortgages, contracts, and conveyances are not subject  
7 to the defense of infancy.

8 (b) The benefits and aid provided under ss. 45.20 (3) and 45.40 are not  
9 assignable and are exempt from garnishment and execution.

10 (9) VOCATIONAL TRAINING. The department in cooperation with the department  
11 of workforce development shall make available to disabled veterans the benefits of  
12 vocational training and guidance, including those veterans who have filed claims for  
13 federal rehabilitation benefits and during the pendency of the claims. If the claims  
14 are allowed and federal reimbursement is made to the state, the money shall be paid  
15 into the veterans trust fund.

16 (10) TRAINING AND EMPLOYMENT OF VETERANS. The department, in cooperation  
17 with the department of workforce development and state selective service  
18 administration and any other federal, state, or local agency, shall formulate and  
19 carry out plans for the training and employment of veterans.

20 (11) APPROVAL AGENCY FOR VETERANS TRAINING. (a) Except as provided in par.  
21 (b), the department shall be the state approval agency for the education and training  
22 of veterans and other eligible persons. The department shall approve and supervise  
23 schools and courses of instruction for the training of veterans and eligible persons  
24 under 38 USC 3670, and may enter into and receive money under contracts with the  
25 U.S. department of veterans affairs or other appropriate federal agencies.



1 (b) The governor may designate the following agencies for approval and  
2 supervision of special phases of the program of veterans education:

3 1. On-the-job and apprenticeship training program, the department of  
4 workforce development.

5 2. On-the-farm training program, the technical college system board.

6 3. Funeral directors apprentices, the funeral directors examining board.

7 **(12) GIFTS AND BEQUESTS.** (a) The department may receive gifts and bequests  
8 in its name for the benefit of Wisconsin veterans and their dependents in accordance  
9 with policies adopted by the board. Moneys received shall be credited to the veterans  
10 trust fund.

11 (b) The department may receive moneys or other gifts and bequests in its name  
12 for the benefit of the Wisconsin Veterans Museum. Moneys received shall be credited  
13 to the veterans trust fund and used, as far as practicable, in accordance with the  
14 wishes of the donors and in accordance with the board's policies.

15 **(13) ADDITIONAL DUTIES.** The department shall do all the following:

16 (a) Assist in the coordination of the state, county, municipal, and private  
17 activities relating to veterans housing.

18 (b) Cooperate with any federal departments, agencies, and independent  
19 establishments relating to veterans housing, benefits, priorities, and finances.

20 (c) Assist any housing authority, municipality, or private enterprise engaged  
21 in supplying veterans housing in the acquisition of materials, finances, legal aid, and  
22 compliance with federal regulations.

23 (d) Utilize the services and facilities of state agencies and county veterans  
24 service officers, including legal services furnished to the department by the  
25 department of justice.

1 (e) Provide county veterans service officers with the information provided to  
2 the department by the adjutant general under s. 21.19 (14) and may provide county  
3 veterans service officers with information on all necessary military points of contact  
4 and general deployment information for reserve units of the U.S. armed forces.

5 (14) LIBERAL CONSTRUCTION INTENDED. This chapter shall be construed as  
6 liberally as the language permits in favor of applicants.

\*\*\*\*NOTE: Current law requires that certain provisions of ch. 45 be construed as liberally as the language permits in favor of applicants (for veterans benefits). Those provisions relate to: (1) general DVA powers and duties; (2) tuition reimbursement; (3) economic assistance; (4) personal loans; (5) veterans homes; and (6) housing loans. This bill would extend that requirement for liberal construction of provisions to the chapter as a whole.

7 (15) DEFERRAL OF PAYMENTS AND INTEREST ON LOANS. When a veteran or a  
8 member of the veteran's family makes application for deferment of payment of  
9 monthly installments and waiver of interest charges on veterans loans made under  
10 this chapter, showing that the ability of the veteran to make payment is materially  
11 and adversely affected by reason of military service, the department may, with the  
12 approval of the board, defer payment of monthly installments and waive interest  
13 charges on veterans loans made under this chapter for the duration of any period of  
14 service in the armed forces of the United States during a national emergency or in  
15 time of war or under P.L. 87-117 and 6 months from date of discharge or separation  
16 and the time for payment may be extended for the same period. However, when funds  
17 estimated to be received in the veterans mortgage loan repayment fund to pay debt  
18 service on public debt contracted under s. 20.866 (2) (zn) and (zo) are less than the  
19 funds estimated to be required for the payment of the debt service, the board may  
20 grant deferral of payments and interest on loans provided under s. 45.37 only when  
21 so required by federal law.

1           **(16) APPLICATION REQUIREMENTS AND PENALTIES.** (a) If the department finds that  
2 an applicant for benefits from the department has willfully made or caused to be  
3 made, or conspired, assisted in, agreed to, arranged for, or in any way procured the  
4 making of a false or fraudulent affidavit, declaration, certificate, statement, or other  
5 writing, it may suspend all benefits available to the applicant from the department  
6 under this chapter.

7           (b) Any person who, with the intent to secure any benefits under this chapter  
8 for personal benefit or for others, willfully makes or causes to be made, or conspires,  
9 assists in, agrees to, arranges for, or in any way procures the making or presentation  
10 of a false or fraudulent affidavit, declaration, certificate, statement, or other writing,  
11 may be fined not more than \$500 or be imprisoned for not more than 6 months, or  
12 both. The fine or imprisonment may be imposed in addition to the penalty provided  
13 in par. (a).

14           (c) 1. As used in this paragraph, “fair consideration” means the exchange of  
15 property, assets, or obligations for a fair equivalent, in an amount not  
16 disproportionately small or large compared to the value of the property, assets, or  
17 obligations, as reflected in similar market transactions.

18           2. The department shall declare immediately due and payable any loan made  
19 after July 29, 1979, under a program administered by the department under s. 45.40  
20 or subch. III, if it finds that the loan was granted to an ineligible person due to any  
21 of the following circumstances:

22           a. The applicant did not report income amounts as required on the loan  
23 application.

24           b. The applicant did not make the disclosures required under subd. 3. a., b., or  
25 c. on the loan application.

1           c. The applicant transferred assets or liabilities or incurred liabilities for less  
2 than fair consideration with the intent to qualify for and secure the loan.

3           3. Loan application forms processed by the department for programs  
4 administered under s. 45.40 or subch. III shall do all of the following:

5           a. Require disclosure of any asset with a value over \$500 transferred by the  
6 applicant for less than fair consideration, within one year immediately prior to the  
7 loan application date. In determining the applicant's need for a loan, the department  
8 shall consider those transferred assets to be assets of the applicant.

9           b. Require disclosure of any liability of more than \$500 incurred by the  
10 applicant for less than fair consideration, within one year immediately prior to the  
11 loan application date. In determining the applicant's need for a loan, the department  
12 shall not consider these liabilities to be liabilities of the applicant.

13           c. Require disclosure of all liabilities transferred by the applicant within one  
14 year immediately prior to the loan application date. The liabilities transferred for  
15 less than fair consideration shall be considered by the department to be liabilities of  
16 the applicant to the extent he or she is liable for their payment or for reimbursement  
17 of the transferee.

18           d. Contain notification of the penalties provided for in this subsection.

19           4. The department shall incorporate the payment acceleration requirements  
20 of subd. 2. in all loan documents for programs administered by the department under  
21 s. 45.40 or subch. III.

22           **(17) LOAN REPAYMENTS.** The department shall deposit all repayments of loans  
23 and payments of interest made on loans under s. 45.351 (2), 1995 stats., s. 45.356,  
24 1995 stats., or s. 45.80, 1989 stats., in the veterans trust fund.

1           (18) COLLECTIONS. The department may enter into contracts to collect  
2 delinquent loan payments owed to the department. The department may allocate a  
3 portion of the amounts collected under the contracts to pay contract costs.  
4 Notwithstanding the provisions of s. 45.04, the department may release information  
5 contained in its files pertaining to applications for benefits to contractors providing  
6 collection services to the department.

7           (19) LOAN GUARANTEE. The department may provide a loan guarantee for  
8 multifamily transitional housing for homeless veterans.

9           **45.04 Release of information and records. (1) DEFINITIONS.** In this section:

10           (a) “Duly authorized representative” means any person authorized in writing  
11 by the veteran to act for the veteran, the veteran’s guardian if the veteran is  
12 adjudicated incompetent, or a legal representative if the veteran is deceased. Where  
13 for proper reason no representative has been or will be appointed, the veteran’s  
14 spouse, an adult child, or, if the veteran is unmarried, either parent of the veteran  
15 shall be recognized as the duly authorized representative.

16           (b) “Service office” means a county veterans service office.

17           (2) SEPARATION DOCUMENTS. Separation documents and copies of separation  
18 documents evidencing service in the armed forces of the U.S. are confidential and  
19 privileged. Examination of these records in the possession of the department or  
20 service office is limited to authorized employees of the department or service office  
21 and information entered in these records may be disclosed only to veterans and their  
22 duly authorized representatives or to interested governmental agencies for the  
23 purpose of assisting veterans and their dependents to obtain the rights and benefits  
24 to which they may be entitled.

1           **(3) U.S. DEPARTMENT OF VETERANS AFFAIRS RECORDS.** Records and papers in the  
2 possession of the department or service office that are released to the department or  
3 service office by the U.S. department of veterans affairs or that contain information  
4 provided by the U.S. department of veterans affairs are confidential. Release of  
5 information from these records or papers may be made only under regulations of the  
6 U.S. department of veterans affairs.

7           **(4) INVESTIGATION.** All reports of investigation made by employees of the  
8 department or at the direction of the department for official departmental purposes  
9 are only for the use of the secretary and staff. Materials and information that  
10 disclose the investigative techniques of the department or the identity of confidential  
11 informants and material received in confidence by representatives of the department  
12 may not be released.

13           **(5) VITAL RECORDS.** The service office may obtain a copy of a vital record under  
14 s. 69.30 (2) and may transmit the copy to the department or to the U.S. department  
15 of veterans affairs to assist a veteran or his or her dependent in obtaining a benefit.

16           **(6) DISCLOSURE OF MONETARY BENEFITS.** The department shall disclose, to any  
17 person who requests, the amount of any payment, grant, or loan made by the  
18 department to any applicant. A person seeking this information shall be required  
19 to sign a statement setting forth the person's name and address and the reason for  
20 making the request and certifying that the person will not use the information  
21 obtained for commercial or political purposes.

22           **(7) DISCLOSURE OF LOAN STATUS INFORMATION.** The department may disclose to  
23 a consumer reporting agency, as defined in 15 USC 1681a (f), the current repayment  
24 status of, the balances due on, and other relevant information pertaining to  
25 department loans that is readily accessible on any loans on which balances are due

1 and owing the department. The department may charge consumer reporting  
2 agencies an amount sufficient to cover all the costs of preparation and delivery of the  
3 information.

4 (8) DISCLOSURE OF OTHER INFORMATION. Except as provided in subs. (2) to (6),  
5 all files, records, reports, papers, and documents pertaining to applications for  
6 benefits from the department, and information contained in them, may be released  
7 by the department or service office only under rules of the department. The rules  
8 shall provide for the furnishing of information required under sub. (7) and for official  
9 purposes by any agency of the U.S. government, by any agency of this state, by any  
10 law enforcement, social services, or human services agency of any Wisconsin county,  
11 or by members of the state senate and assembly. The rules shall otherwise provide  
12 for release of personal information pertaining to or contained in any application for  
13 benefits, whether pending or adjudicated, only when authorized in writing by the  
14 applicants or when necessary to assist applicants in securing veterans benefits that  
15 the applicants may be entitled to or when necessary for the efficient management of  
16 loans made by the department.

17 **45.05 Registration of certificate of discharge.** Every person who has  
18 served in the U.S. armed forces at any time, and who has been honorably discharged  
19 or given a certificate of service or relieved from active service may record with the  
20 register of deeds of any county, in a suitable book provided by the county for that  
21 purpose, a certificate of discharge or release. The certificate shall be accessible only  
22 to the discharged person or that person's dependents or duly authorized  
23 representative, as defined in s. 45.04 (1) (a), the county veterans service officer, the  
24 department, or any person with written authorization from the discharged person  
25 or that discharged person's dependents. The register of deeds may not charge for

1 recording, except that in counties where the register of deeds is under the fee system  
2 and not paid a fixed salary, the county shall pay the fee specified in s. 59.43 (2) (ag).  
3 The record of any certificate of discharge or release made prior to July 6, 1919, is  
4 legalized.

5 **45.06 Security.** (1) It shall be unlawful for any person to receive or accept as  
6 a security or to withhold from a veteran or a person who was honorably discharged  
7 from the U.S. armed forces any discharge paper, citation, warrant, medal, badge, or  
8 evidence upon which the veteran is entitled to certain rights, as a veteran under the  
9 laws of the United States or of this state, and any transfer of the item during the life  
10 of the veteran upon a consideration or otherwise shall be null and void, and the  
11 refusal or willful neglect of any person to return or deliver upon demand the  
12 discharge paper, citation, warrant, medal, badge, or evidence is punishable as  
13 provided in sub. (2).

14 (2) Any person who violates this section shall be fined not more than \$100 or  
15 imprisoned for not more than 6 months, or both.

16 **45.07 Wisconsin Veterans Museum.** (1) The department of administration  
17 shall provide suitable space for the purpose of a memorial hall, designated as the  
18 Wisconsin Veterans Museum, dedicated to the veterans of Wisconsin and to the men  
19 and women of Wisconsin who served in the armed forces of the United States <sup>during</sup> ~~in~~ <sup>(plain)</sup>  
20 the civil war of 1861 to 1865 <sup>(plain) → and during any subsequent period</sup>. The department of veterans affairs shall operate the  
21 Wisconsin Veterans Museum. The mission of the Wisconsin Veterans Museum is to  
22 acknowledge, commemorate, and affirm the role of Wisconsin veterans in the United  
23 States of America's military past by means of instructive exhibits and other  
24 educational programs.



1           (2) The battle flags of Wisconsin units serving in the nation's wars and all relics  
2 and mementos of the nation's wars donated to or otherwise acquired by the state for  
3 display in the Wisconsin Veterans Museum shall constitute the memorial collection.

4 The department shall do all of the following:

5           (a) Catalog and identify all war relics and mementos of the memorial collection.

6           (b) Restore, preserve, and safeguard the relics and mementos of the memorial  
7 collection.

8           (c) Procure additions to the memorial collection.

9           (d) Provide proper display equipment and display the memorial collection to  
10 make it instructive and attractive to visitors.

11           **45.08 Memorial Day.** (1) Every department and agency of the state  
12 government, every court of the state, and every political subdivision of the state,  
13 shall give a leave of absence with pay for the last Monday in May of each year, the  
14 day of celebration for May 30, Memorial Day, to every person in the employ of the  
15 state or political subdivision who has at any time served in and been honorably  
16 discharged from the U.S. armed forces or from forces incorporated as part of the U.S.  
17 armed forces. A refusal to give the leave of absence to a person entitled to the leave  
18 constitutes neglect of duty.

19           (2) If the nature of the duties of the department, agency, court, or political  
20 subdivision necessitates the employment of persons eligible for a leave of absence  
21 under sub. (1), the department, agency, court, or political subdivision shall arrange  
22 and assign the necessary work so as to permit the largest possible numbers of eligible  
23 persons to have a leave of absence either all or part of Memorial Day.

\*\*\*\*NOTE: Under current law and this bill, all state government departments and  
agencies, including state courts, every "superintendent or foreman on the public works  
of the state," and all political subdivisions must give a paid leave of absence to veterans

for Memorial Day. However, under current law, only city department heads are directed to assign work in such a manner as to permit the greatest number of employees to be off duty for all or part of that day. This bill makes that requirement applicable to all of the government entities that are required to grant the paid leave of absence. It also eliminates the reference to superintendents and foremen on the public works.

1 SUBCHAPTER II

2 EDUCATION AND TRAINING

3 45.20 Veterans education programs. (1) GENERAL PROVISIONS. (a)

4 *Definitions.* In this section:

5 1. "Institution of higher education" has the meaning given in 20 USC 1001 (a).

6 2. "Full-time classroom study" means any of the following:

7 a. Enrollment by a graduate student in courses for which more than 8 semester  
8 or the equivalent trimester or quarter credits will be given upon satisfactory  
9 completion.

10 b. Enrollment by a graduate student in courses that upon satisfactory  
11 completion will fulfill more than the minimum semester or equivalent trimester or  
12 quarter credit requirements of the program or school in which the student is enrolled.

13 c. Enrollment by any other eligible student in courses for which more than 11  
14 semester or the equivalent trimester or quarter credits will be given upon  
15 satisfactory completion.

16 3. "Part-time classroom study" means any of the following:

17 a. Enrollment by a graduate student in courses for which no more than 8  
18 semester or the equivalent trimester or quarter credits will be given upon  
19 satisfactory completion.

20 b. Enrollment by a graduate student in courses that upon satisfactory  
21 completion will fulfill no more than the minimum semester or equivalent trimester

1 or quarter credit requirements of the program or school in which the student is  
2 enrolled.

3 c. Enrollment by any other eligible student in courses for which no more than  
4 11 semester or the equivalent trimester or quarter credits will be given upon  
5 satisfactory completion.

6 d. Study during a summer semester or session.

7 3. "Tuition" means any of the following:

8 a. For the University of Wisconsin System, academic fees, as described in s.  
9 36.27 (1), and segregated fees.

10 b. For technical colleges, program fees, as described in s. 38.24 (1m) (a) and (b)  
11 and additional fees reported and assessed by the college for the course of study.

12 c. For a high school, a school that is approved under s. 45.03 (11), or a  
13 proprietary school that is approved under s. 39.90, the charge for the courses for  
14 which a person is enrolled.

15 d. For an institution from which a person receives a waiver of nonresident  
16 tuition under s. 39.47, the amount of the reciprocal fee under s. 39.47 (2) and any fees  
17 that are similar to segregated fees for the University of Wisconsin System.

18 (b) *Income limit.* 1. No veteran may receive reimbursement under this section  
19 if the department determines that the income of the veteran and his or her spouse  
20 exceeds \$50,000 plus \$1,000 for each additional dependent in excess of 2 dependents.

21 2. In determining eligibility under this section, the department shall verify all  
22 reported income amounts.

23 (c) *Reimbursement limit.* The amount of the reimbursement under sub. (2) or  
24 (3) may not exceed the total cost of the veteran's tuition or the standard cost for a state  
25 resident for tuition for an equivalent undergraduate course at the University of

1 Wisconsin–Madison per course, whichever is less, minus any grants or scholarships  
2 that the veteran receives specifically for the payment of tuition.

3 (d) *Child support or maintenance delinquency.* The department may provide  
4 reimbursement under sub. (2) or (3) to a veteran who is delinquent in child support  
5 or maintenance payments or who owes past support, medical expenses, or birth  
6 expenses, as established by appearance of the veteran's name on the statewide  
7 support lien docket under s. 49.854 (2) (b), only if the veteran provides the  
8 department with one of the following:

9 1. A repayment agreement that the veteran has entered into, that has been  
10 accepted by the county child support agency under s. 59.53 (5), and that has been  
11 kept current for the 6-month period immediately preceding the date of the  
12 application.

13 2. A statement that the veteran is not delinquent in child support or  
14 maintenance payments and does not owe past support, medical expenses, or birth  
15 expenses, signed by the department of workforce development or its designee within  
16 7 working days before the date of the application.

17 (2) TUITION REIMBURSEMENT PROGRAM. (a) *Eligibility.* A veteran is eligible for  
18 the tuition reimbursement program under this subsection if he or she meets all of the  
19 following conditions:

20 1. The veteran applies for the tuition reimbursement program for courses  
21 begun within 10 years after separation from the service.

22 2. The veteran is a resident at the time of application for the tuition  
23 reimbursement program.

24 3. The veteran is enrolled for at least 12 credits during the semester for which  
25 reimbursement is sought.

1           (b) *Program benefits.* 1. A veteran who meets the requirements under par. (a),  
2       upon satisfactory completion of a full-time undergraduate semester in any  
3       institution of higher education in this state, any school that is approved under s.  
4       45.03 (11), any proprietary school that is approved under s. 39.90, or any institution  
5       from which the veteran receives a waiver of nonresident tuition under s. 39.47, may  
6       be reimbursed an amount not to exceed the total cost of the veteran's tuition minus  
7       any grants or scholarships that the veteran receives specifically for the payment of  
8       the tuition. Reimbursement is available only for tuition that is part of a curriculum  
9       that is relevant to a degree in a particular course of study at the institution.

10           2. The application for reimbursement of tuition under this subsection shall  
11       meet all of the following conditions:

12           a. Be completed and received by the department no later than 60 days after the  
13       completion of the semester. The department may accept an application received  
14       more than 60 days after the completion of the semester if the applicant shows good  
15       cause for the delayed receipt.

16           b. Contain the information necessary to establish eligibility as determined by  
17       the department.

18           c. Be on the application form approved by the department.

19           d. Contain the signatures of both the applicant and a representative of the  
20       institution or school certifying that the applicant has satisfactorily completed the  
21       semester.

22           3. Reimbursement provided under this subsection shall be paid from the  
23       appropriation under s. 20.485 (2) (tf). If the amount of funds applied for exceeds the  
24       amount available under s. 20.485 (2) (tf), the department may deny applications for  
25       reimbursement that would otherwise qualify under this subsection. In those cases,

1 the department shall determine eligibility on the basis of the dates on which  
2 applications for reimbursement were received.

3 4. Reimbursement of tuition and fees for a course may be provided at an  
4 institution or school under subd. 1. other than one from which the veteran is  
5 receiving his or her degree if all of the following apply:

6 a. The curriculum at the institution or school consists only of courses necessary  
7 to complete a degree in a particular course of study.

8 b. The course is accepted as transfer credits at the institution or school listed  
9 under subd. 1. from which the veteran is receiving his or her degree but is not  
10 available at that institution or school.

11 (c) *Limitations.* 1. A veteran is not eligible for reimbursement under this  
12 subsection for more than 120 credits or 8 full semesters of full-time study at any  
13 institution of higher education in this state, 60 credits or 4 full semesters of full-time  
14 study at any institution of higher education in this state that offers a degree upon  
15 completion of 60 credits, or an equivalent amount of credits at a school that is  
16 approved under s. 45.03 (11), at a proprietary school that is approved under s. 39.90,  
17 or at an institution where he or she is receiving a waiver of nonresident tuition under  
18 s. 39.47.

19 2. A veteran may not receive reimbursement under this subsection for any  
20 semester in which he or she received reimbursement under sub. (3) or s. 21.49.

21 (3) CORRESPONDENCE COURSES AND PART-TIME CLASSROOM STUDY. (a) *Eligibility.*

22 The following persons are eligible for benefits under this section:

23 1. A veteran.

24 2. An unremarried surviving spouse or minor or dependent child of a deceased  
25 veteran.

1           (b) *Program benefits.* 1. A person, upon the completion of any correspondence  
2 course or part-time classroom study from an institution of higher education located  
3 in this state, from a school that is approved under s. 45.03 (11), from a proprietary  
4 school that is approved under s. 39.90, or from any public or private high school, may  
5 be reimbursed in part for the cost of the course by the department. The person shall  
6 present to the department a certificate from the school indicating that the person has  
7 completed the course and stating tuition and shall apply for reimbursement on an  
8 application that is received by the department no later than 60 days after the  
9 termination of the course for which the application for reimbursement is made. The  
10 department shall accept and process an application received more than 60 days after  
11 the termination of the course if the applicant shows good cause for the delayed  
12 receipt.

13           2. A person who is a resident of this state and otherwise qualified to receive  
14 benefits under this subsection may receive the benefits under this subsection upon  
15 the completion of any correspondence courses or part-time classroom study from an  
16 institution of higher education located outside this state if any of the following  
17 applies:

18           a. The part-time classroom study is not offered within 50 miles of the person's  
19 residence by any school or institution under sub. (2) and the educational institution  
20 from which the study is offered is located not more than 50 miles from the boundary  
21 line of this state.

22           b. The correspondence course is not offered by an institution in this state.

23           3. Enrolled part-time classroom study or direct correspondence courses from  
24 a qualified educational institution may be authorized and the person reimbursed in  
25 part by the department when the courses are related to one's occupational,

1 professional, or employment objectives, and to the extent that payment or  
2 reimbursement is not available from any other sources, or, in cases where  
3 reimbursement is not specifically for tuition, to the extent that the reimbursement  
4 is insufficient to cover all educational costs.

5 (b) *Limitations.* 1. a. No person who has obtained a master's degree or its  
6 equivalent is eligible for reimbursement under this subsection.

7 b. No person who has obtained at least a baccalaureate degree or its equivalent  
8 but not a master's degree or its equivalent is eligible for reimbursement under this  
9 subsection if the person has remaining U.S. department of veterans affairs education  
10 benefits.

11 c. For the purpose of this subsection, any person who has received a  
12 baccalaureate degree shall be deemed to be a graduate student whether he or she is  
13 taking graduate or undergraduate courses.

14 2. The department may not provide reimbursement under this subsection  
15 unless the department determines that a course for which an application is made is  
16 related to the applicant's occupational, professional, or employment objectives.

17 3. A person may not be reimbursed under this subsection more than 4 times  
18 during any consecutive 12-month period.

19 **45.21 Retraining assistance program. (1) AMOUNT AND APPLICATION.** The  
20 department may pay a veteran not more than \$3,000 for retraining to enable the  
21 veteran to obtain gainful employment. The department shall determine the amount  
22 of the payment based on the veteran's financial need. A veteran may apply for aid  
23 to the county veterans service officer of the county in which the veteran is living. The  
24 department may, on behalf of a veteran who is engaged in a structured on-the-job



1 training program and who meets the requirements under sub. (2), make a payment  
2 under this subsection to the veteran's employer.

3 (2) ELIGIBILITY. The department may provide aid under this section if all of the  
4 following apply:

5 (a) The veteran is enrolled in a training course in a technical college under ch.  
6 38 or in a proprietary school in the state approved by the educational approval board  
7 under s. 39.90, other than a proprietary school offering a 4-year degree or 4-year  
8 program, or is engaged in a structured on-the-job training program that meets  
9 program requirements promulgated by the department by rule.

10 (b) The veteran meets the financial assistance criteria established under sub.  
11 (3) (c).

12 (c) The veteran is unemployed, underemployed, as defined by rule, or has  
13 received a notice of termination of employment.

14 (d) The veteran requesting aid has not received reimbursement under s. 45.20  
15 for courses completed during the same semester for which a grant would be received  
16 under this section.

17 (e) The department determines that the veteran's proposed program will  
18 provide retraining that could enable the veteran to find gainful employment. In  
19 making its determination, the department shall consider whether the proposed  
20 program provides adequate employment skills and is in an occupation for which  
21 favorable employment opportunities are anticipated.

22 (3) RULES. The department shall promulgate rules for the distribution of aid  
23 under this program, including all of the following:

24 (a) Standard budgets for single and married veterans.

25 (b) Selection procedures.

1 (c) Uniform need determination procedures.

2 (d) Application procedures.

3 (e) Coordination with other occupational training programs.

4 (f) Other provisions the department deems necessary to assure uniform  
5 administration of this program.

6 (4) REPORT. The department shall include in its biennial report under s. 15.04  
7 (1) (d) information relating to the veterans retraining assistance program, including  
8 the number of veterans obtaining gainful employment after receiving aid and a  
9 description of the veterans receiving aid, including their sex, age, race, educational  
10 level, service-connected disability status, and income before and after obtaining  
11 gainful employment. This information may be based on a valid statistical sample.

### 12 SUBCHAPTER III

#### 13 VETERANS HOUSING LOAN PROGRAM

14 **45.30 Purpose. (1) LEGISLATIVE FINDINGS.** It is determined that veterans, who  
15 have sacrificed in the service of their country valuable years of their lives and  
16 considerable earning potential, constitute a readily identifiable and particularly  
17 deserving segment of this state's population. It is further determined that by making  
18 additional housing funds available to eligible veterans, limited private home loan  
19 funds will be more readily available to all. It is further determined that the loan  
20 programs established under this subchapter are special purpose credit programs for  
21 an economically disadvantaged class of persons for the purposes of 15 USC  
22 1691-1691f.

23 (2) LEGISLATIVE INTENT. This subchapter is created principally to enable the  
24 state and the authority to exercise their borrowing power to increase those funds  
25 available for loans providing for the purchase or construction of private housing,

1 without requiring down payments beyond the reach of families of modest means. It  
2 is the intent of the legislature that the department in its administration of this  
3 subchapter avoid the duplication of those administrative services available through  
4 private lending institutions, utilizing the administrative services of such  
5 institutions to the maximum extent consistent with the purposes of this subchapter.

6 **45.31 Definitions.** In this subchapter:

7 (1) “Anticipated annual shelter payment” means the total annual payments  
8 anticipated for the following, as determined by the department or authorized lender  
9 on the basis of the loan applied for under s. 45.37:

10 (a) Real estate taxes on the premises to be mortgaged.

11 (b) Insurance premiums for coverage required under s. 45.37 (3) (b).

12 (c) Required payments on principal and interest on all mortgages placed or to  
13 be placed against the home of an eligible person.

14 (2) “Authority” means the Wisconsin Housing and Economic Development  
15 Authority.

16 (3) “Authorized lender” means any lender or servicer authorized under s. 45.37

17 (5) (a) 5. to make or service loans under s. 45.37.

18 (4) “Closing costs” include:

19 (a) Any origination fee authorized under s. 45.37 (5) (b).

20 (b) Attorney fees.

21 (c) Recording fees.

22 (d) Other costs authorized by the department.

23 (5) “Eligible person” means any person eligible under s. 45.33 (1) and not  
24 disqualified under s. 45.33 (2) to receive a loan under this subchapter.

1           (6) “Federal Home Loan Mortgage Corporation” means the corporation created  
2 under 12 USC 1451 to 1459.

3           (7) “Funds” include cash on hand and liquid investments owned by the veteran  
4 and his or her spouse, individually or jointly, unless the veteran and spouse are  
5 legally separated under s. 767.07.

6           (8) “Guaranteed loan” means a loan guaranteed by the U.S. department of  
7 veterans affairs under 38 USC 1801 to 1827.

8           (9) “Home” means a building or portion of a building used as the veteran’s  
9 principal place of residence, and includes condominiums and income-producing  
10 property, a portion of which is used as a principal place of residence by the veteran,  
11 and the land, including existing improvements, appertaining to the building.

12           (10) “Income” means the sum of the federal adjusted gross income plus any  
13 income received that may reasonably be expected to be regular and dependable.

14           (11) “Insurer” means any insurer authorized to do business in this state.

15           (12) “Manufactured home” means a structure, as defined by the Federal Home  
16 Loan Mortgage Corporation, which meets or exceeds the statutory size under s.  
17 348.07 (2).

18           (13) “Monthly payment” means all of the following:

19           (a) Required payments on principal and interest.

20           (b) Insurance premiums for coverage required under s. 45.37 (3) (b).

21           (c) One-twelfth of annual real estate taxes on the mortgaged property.

22           (14) “Qualified purpose” means any purpose authorized under s. 45.34 (1).

23           **45.32 Powers of the department.** With respect to loans made by and  
24 mortgages and mortgage notes executed or properties mortgaged to the department

1 or to authorized lenders under this subchapter, the department may do any of the  
2 following:

3 (1) Execute necessary instruments.

4 (2) Collect interest and principal.

5 (3) Compromise indebtedness due on mortgage notes.

6 (4) Sue and be sued.

7 (5) Exercise the rights of a mortgagee, generally including the right to do any  
8 of the following:

9 (a) Acquire or take possession of the mortgaged property and in so doing the  
10 department may accept voluntary surrender and conveyance of title to the property  
11 in full satisfaction of a mortgage debt or may bid for and purchase the property at  
12 a sheriff's sale or replevin the property.

13 (b) Commit itself to execute and execute subordination agreements, partial  
14 releases, and other necessary instruments.

15 (c) Set up and follow procedures to assure proper disbursement of the proceeds  
16 of insurance checks, share drafts, or other drafts covering damages sustained on  
17 mortgaged properties.

18 (d) Pay the principal and interest on any obligations incurred in connection  
19 with the mortgages on the property including real estate taxes, insurance premiums,  
20 attorney fees, and obligations created as a result of its exercise of powers vested in  
21 it under this subchapter.

22 (e) Exercise any other powers as may be necessary for the efficient  
23 administration of this subchapter.

24 (6) In contracts entered into under s. 45.37 (5) (a) 1., empower authorized  
25 lenders to exercise any of the powers vested in the department under this subchapter.

1 (7) Manage, operate, lease, exchange, sell, and otherwise convey real property.

2 (8) Grant easements in any real property the department acquires.

3 (9) Upon application by the mortgagor and agreement in writing executed by  
4 the parties:

5 (a) Extend the time in which the obligation under a mortgage note or any part  
6 of the obligation must be paid.

7 (b) Reduce the amounts of monthly installments and provide other terms and  
8 conditions relative to time and manner of repaying the obligation as it deems  
9 necessary or reasonable.

10 **45.33 Eligibility and disqualifying factors.** (1) ELIGIBLE PERSONS. Subject  
11 to sub. (2) (a) or (b), the following persons may receive a loan under this subchapter:

12 (a) A veteran.

13 (b) A person who served on active duty for more than 6 months during the  
14 period between February 1, 1955, and August 4, 1964, and was honorably  
15 discharged.

16 (c) The unremarried surviving spouse or dependent child, as defined in s. 45.01  
17 (6) (b), of a deceased veteran or of a deceased person described in par. (b).

18 (2) DISQUALIFYING FACTORS. (a) A person listed in sub. (1) may not receive a loan  
19 under this subchapter if the department or authorized lender determines that any  
20 of the following applies:

21 1. The person will be incurring an excessive indebtedness in view of the person's  
22 income.

23 2. The person has a previous loan outstanding under this subchapter, unless  
24 any of the following apply:

1           a. The previous loan has been assumed by an eligible person with the  
2 department's approval upon the sale of the residence securing the previous loan.

3           b. The person is applying for a loan under s. 45.37 for a purpose under s. 45.34  
4 (1) (c) and the previous loan was made under s. 45.37.

5           (b) A person listed in sub. (1) who is not a permanently and totally disabled  
6 veteran may not receive a loan under this subchapter if the department or authorized  
7 lender determines that any of the following applies:

8           1. The person is delinquent in child support or maintenance payments or owes  
9 past support, medical expenses, or birth expenses, as evidenced by the appearance  
10 of the person's name on the statewide support lien docket under s. 49.854 (2) (b),  
11 unless the person provides the department or authorized lender with one of the  
12 following:

13           a. A repayment agreement that the person has entered into, that has been  
14 accepted by the county child support agency under s. 59.53 (5) and that has been kept  
15 current for the 6-month period immediately preceding the date of the application.

16           b. A statement that the person is not delinquent in child support or  
17 maintenance payments and does not owe past support, medical expenses, or birth  
18 expenses, signed by the department of workforce development or its designee within  
19 7 working days before the date of the application.

20           2. The amount of the loan exceeds 2.5 times the median price of a home in this  
21 state. The department shall establish the median price of a home in this state for  
22 each fiscal year by using the most recent housing price index generated by the  
23 Wisconsin Realtors Association before July 1.

1           **45.34 Uses for loan proceeds. (1) MORTGAGE LOAN PROGRAM.** An authorized  
2 lender may, with the approval of the department, make loans under s. 45.37 for any  
3 of the following purposes:

4           (a) The purchase of one of the following:

5           1. A manufactured home or real property on which a manufactured home is to  
6 be situated, but only if the eligible person has available and applies on the total cost  
7 of the property, an amount equivalent to at least 15 percent of the total cost. This  
8 15 percent requirement does not apply to a disabled veteran.

9           2. A home and eligible rehabilitation of a home, as defined in s. 234.49 (1) (d).

10          (b) The construction of a home, including housing accommodation and garage,  
11 and the acquisition of land therefor.

12          (c) A loan of not more than \$25,000 to improve a home, including the  
13 construction of a garage or the removal or other alteration of existing improvements  
14 that were made to improve the accessibility of a home for a permanently and totally  
15 disabled individual.

16          (d) 1. Refinancing the balance due on an indebtedness that was incurred for a  
17 use designated in pars. (a) to (c) if the balance owing on the indebtedness does not  
18 exceed the amount requested in a prior loan application from that eligible person and  
19 if the indebtedness was incurred by that person after a prior loan application from  
20 that person was denied by the department. Refinancing loans may be made under  
21 this paragraph only if the board reverses the department's denial after determining  
22 that the prior application met requirements in effect on the date of the denial and  
23 that the loan application should have been approved.



1           2. Refinancing the balance due on a construction period loan, bridge loan, or  
2 other financing if the financing was used for a purpose designated in par. (b) and has  
3 a term of 24 months or less.

4           **(2) CONDITIONS.** (a) No loan may be made under this subchapter if the  
5 department or authorized lender determines that the total cost of the property  
6 exceeds its market value unless the amount by which the cost of the property exceeds  
7 its market value is paid by the borrower in addition to the contribution required by  
8 s. 45.35. This paragraph does not apply to a permanently and totally disabled  
9 veteran.

10           (b) The department or authorized lender may require any person applying for  
11 a loan under this subchapter to certify that:

12           1. The residence to be purchased, constructed, improved, or refinanced with  
13 financial assistance under this subchapter will be used as the person's principal  
14 residence.

15           2. Unless other acceleration provisions are permitted under s. 45.36 (2), the  
16 loan made under this subchapter will be repaid in full upon sale of the residence or  
17 any of the person's interest in it. A divorce judgment divesting the person's interest  
18 in the residence or a quit claim deed executed under the judgment does not constitute  
19 a sale.

20           **45.35 Contribution.** No loan may be made under this subchapter unless, in  
21 addition to the closing costs that the person may be required to pay, the person has  
22 available, and applies on the total cost of the property for which the loan is made, an  
23 amount equivalent to at least 5% of the total cost. The amount may consist of money  
24 or other assets, including equity in real property. This section does not apply to a  
25 permanently and totally disabled veteran.

1           **45.36 Manner of repayment.** (1) MONTHLY PAYMENTS; RIGHT TO PREPAY. Each  
2 loan made under this subchapter shall be repaid in monthly installments with the  
3 option to pay additional sums. Any additional payments must be paid on the regular  
4 installment payment date.

5           (2) ACCELERATION PROVISIONS. All loans made under this subchapter shall be  
6 repaid in full upon sale of the residence securing the loan or any interest in such  
7 residence, unless one of the following applies:

8           (a) The sale is to another eligible person.

9           (b) The department or authorized lender servicing the loan determines that  
10 acceleration will jeopardize collection of the loan balance.

11           (c) The loan is a guaranteed loan which is assumed or paid in regular monthly  
12 installments under s. 45.37 (11) (a).

13           **45.37 Mortgage loan program.** (1) LOANS AUTHORIZED. An authorized lender  
14 or a county veterans service officer may, as agent for and with the approval of the  
15 department, make loans to eligible persons for qualified purposes in the manner  
16 provided under this section.

17           (2) LOAN APPLICATIONS. (a) Applications for loans under this section for a  
18 purpose specified in s. 45.34 (1) (a), (b), or (d) shall be made to an authorized lender  
19 and applications for loans under this section for a purpose specified under s. 45.34  
20 (1) (c) may be made to the department or to a county veterans service officer on forms  
21 approved by the department and signed by the applicant. If the applicant is married  
22 and not legally separated under s. 767.02 (1) (d) or in the process of obtaining a  
23 divorce, the applicant's spouse also shall sign the application.

24           (b) The applicant may apply directly to the department or through a county  
25 veterans service officer for certification of eligibility.

1           **(3) LOANS TO BE SECURED.** (a) Each loan made under this section, except a loan  
2 of \$3,000 or less for a purpose specified under s. 45.34 (1) (c), shall be evidenced by  
3 a promissory installment note and secured by a mortgage on the real estate in respect  
4 to which the loan is granted. A loan of \$3,000 or less made for a purpose specified  
5 under s. 45.34 (1) (c) shall be evidenced by a promissory installment note and shall  
6 be secured by a guarantor or by a mortgage on the real estate in respect to which the  
7 loan is granted. Any loan having as its source funds provided under sub. (6) (a) and  
8 secured by a mortgage shall have the mortgage name the department as mortgagee  
9 and payee. Any loan having as its source funds provided under sub. (6) (b) and  
10 secured by a mortgage shall have the mortgage name the authorized lender involved  
11 as mortgagee and payee, and such mortgage and note shall be assigned by the  
12 authorized lender to the authority immediately upon execution. A mortgage  
13 securing a loan made for a purpose specified in s. 45.34 (1) (a), (b), or (d) shall have  
14 priority over all liens against the mortgaged premises and the buildings and  
15 improvements to the buildings, except tax and special assessment liens filed after  
16 the recording of the mortgage. A mortgage securing a loan made for a purpose  
17 specified under s. 45.34 (1) (c) is acceptable if the applicant can establish a minimum  
18 equity in the property, as established by the department by rule.

19           (b) Mortgages given to secure loans under this section shall provide for  
20 adequate fire and extended coverage insurance. Policies providing such insurance  
21 coverage shall name the authorized lender or the department as an insured.

22           **(4) INTEREST RATE DETERMINED.** (a) The board shall determine the interest rate  
23 on loans made under this section. Except as provided in sub. (11), the interest rate  
24 determined may not be increased during the term of the loan. Except as provided  
25 in sub. (11), the interest rate shall be as low as possible but shall be sufficient to fully

1 pay all expenses and to provide reserves that are reasonably expected to be required  
2 in the judgment of the board in accordance with par. (b) and sub. (7) (a) 3.

3 (b) 1. The board shall select and implement the methods of insuring against  
4 losses arising from delinquency and default in the repayment of loans funded under  
5 sub. (6) (a) and shall select and implement the methods of managing and selling any  
6 property securing loans funded under sub. (6) (a).

7 2. The board shall charge or cause to be charged to borrowers all costs necessary  
8 to insure against losses under subd. 1.

9 3. Moneys collected under subd. 2. and that are held by the state shall be  
10 deposited, reserved, and expended as provided in sub. (7) (a) 3.

11 (c) Loans made pursuant to this section shall not be subject to s. 138.05,  
12 138.051, or 138.052, except that a loan originated under this section after May 3,  
13 1996, is subject to s. 138.052 (5).

14 **(5) ADMINISTRATIVE PROVISIONS.** (a) The department may do any of the  
15 following:

16 1. Enter into contracts with authorized lenders throughout this state  
17 authorizing such lenders to process applications and close and service loans made  
18 under this section. The contracts shall include the responsibilities of the authorized  
19 lender with respect to credit evaluations, financial eligibility determinations,  
20 valuation of the home for which the loan is to be made, collection procedures in the  
21 event of delinquent loan repayments, and other functions that the department may  
22 require. The contracts shall authorize the lender to retain an amount from the  
23 monthly payments for servicing loans made under this section. The rate of the  
24 service fee shall not exceed a maximum rate established by the department with the  
25 lender in accordance with current practices under similar programs, and shall be

1 stated in the contracts. The department shall specify in the contracts a maximum  
2 length of time between receipt of monthly mortgage payments by the lender and  
3 transmittal of such payments to the state or the authority.

4 2. Commit to advance and advance funds in the full amount of any mortgage  
5 securing a purchase loan to be made by an authorized lender in accordance with the  
6 terms under this section.

7 3. Commit to advance and advance in installments up to the full amount of any  
8 mortgage securing a construction loan made by an authorized lender, to provide for  
9 the purchase and improvement of a lot and the completion of the construction for  
10 which the loan is to be made, under the terms of this section.

11 4. Mail checks, share drafts, or other drafts, or otherwise transfer or arrange  
12 for transfer of funds to authorized lenders not sooner than 7 days prior to proposed  
13 closing or disbursement dates.

14 5. Designate and maintain a current list of lenders authorized to make or  
15 service loans under this section. The department shall promulgate rules  
16 establishing standards for and governing the performance of authorized lenders in  
17 making and servicing loans under this section and shall periodically monitor such  
18 performance. The department shall promulgate rules to provide for the removal  
19 from its list of authorized lenders of any lender that makes an excessive number of  
20 errors on loan applications processed under subd. 1. The department may  
21 summarily remove from its list of authorized lenders any lender that indicates it does  
22 not wish to participate in the program and after hearing on notice remove from its  
23 list of authorized lenders any lender that fails to conform with the rules of the  
24 department governing that performance, and may refuse to permit a lender so

1 removed to make or service any loan under this section until the department is  
2 satisfied that the lender will conform with its rules.

3 6. Require borrowers to make monthly escrow payments to be held by the  
4 authorized lender or the department for real estate taxes and casualty insurance  
5 premiums. The authorized lender or the department shall pay all of the amounts due  
6 for real estate taxes and casualty insurance premiums, even if the amount held in  
7 escrow is insufficient to cover the amounts due. If the amount held in escrow is  
8 insufficient to cover the amounts due, the authorized lender or the department shall  
9 recover from the borrower, after paying the amounts due under this subdivision, an  
10 amount equal to the difference between the amounts paid and the amount held in  
11 escrow. If the amount held in escrow is more than the amounts due, the authorized  
12 lender or the department shall refund to the borrower, after paying the amounts due  
13 under this subdivision, an amount equal to the difference between the amount held  
14 in escrow and the amounts paid by the authorized lender or the department.

15 7. Obtain guarantees for loans under 38 USC 1801 to 1827.

16 8. Exercise all of the powers vested in it under this subchapter with respect to  
17 any applications for loans and loans approved under this section and with respect to  
18 any mortgages and mortgage notes executed to authorized lenders and assigned to  
19 and purchased by the authority under this section and the properties securing those  
20 mortgages. The department may exercise or authorize those powers to be exercised  
21 in its own name.

22 9. With prior approval of the building commission, retire all 1981 veterans  
23 home loan revenue bonds and transfer any assets remaining in the bond fund after  
24 retirement into the veterans trust fund. The department may sell the assets

1 transferred to the veterans trust fund under this subdivision and deposit the  
2 proceeds of any sale into the veterans trust fund.

3 10. Service loans made under this section and purchase from authorized  
4 lenders the servicing rights for loans made by authorized lenders under this section.

5 11. Enter into contracts with persons other than authorized lenders for the  
6 servicing of loans made under this section.

7 12. Loan money from the veterans trust fund to the veterans mortgage loan  
8 repayment fund to fund loans under this section.

9 (b) At the time of closing, persons receiving loans under this section shall pay  
10 an origination fee to the authorized lender participating in the loan, except that the  
11 department shall pay, on behalf of a veteran who receives a loan under this section  
12 and who has at least a 30 percent service-connected disability rating for purposes  
13 of 38 USC 1114 or 1134, the origination fee to the authorized lender. The origination  
14 fee charged under this paragraph shall be negotiated between the department and  
15 the authorized lender but may not exceed that which the authorized lender would  
16 charge other borrowers in the ordinary course of business under the same or similar  
17 circumstances.

18 (6) SOURCES OF LOAN FUNDS. Funding for loans authorized under this section  
19 may, at the discretion of the building commission, be provided by one or a  
20 combination of the following:

21 (a) The secretary, with the approval of the governor and subject to the limits  
22 of s. 20.866 (2) (zn), may request that state debt be contracted in accordance with ch.

23 18. Debt requested shall meet all of the following additional requirements:

24 1. State debt may be contracted when it reasonably appears to the building  
25 commission that all state obligations so incurred under this paragraph and s. 20.866

1 (2) (zo) can be fully paid from moneys received from veterans repayments of loans on  
2 mortgages and mortgage notes funded under this paragraph and other available  
3 revenues of the veterans mortgage loan repayment fund. In making this  
4 determination, the building commission may take into account the effect of its  
5 planned future actions to refinance existing state debt, to create reserve funds, and  
6 to modify the structure of the total debt outstanding so as to ensure that projected  
7 repayments of loans on mortgages and mortgage notes, together with other available  
8 moneys, will be sufficient as received to fund debt service payments as due. It is the  
9 intent of the legislature that the program authorized under this section be fully  
10 self-supporting and that it be administered so that all debt service and all related  
11 costs of the program under this section will require no supplemental support from  
12 the general fund.

13 2. The chairperson of the board shall certify that the chairperson does not  
14 expect proceeds of state debt issued under this paragraph to be used in a manner that  
15 would cause the debt to be arbitrage bonds as defined in the Internal Revenue Code,  
16 if that debt is a bond that is exempt from federal taxation.

17 (b) Loans made under this section may be purchased by the authority from the  
18 veterans housing loan fund under s. 234.41. All receipts of interest, except amounts  
19 retained as servicing fees by the authorized lenders servicing the loans purchased  
20 by the authority, and principal on the loans, payments of losses by insurers not used  
21 for restoration of the property securing the loans, and any other collections, shall be  
22 deposited by the authority into the veterans housing bond redemption fund under  
23 s. 234.43 and shall be disbursed from the fund as provided in s. 234.43 (2).

24 (c) The secretary, with the approval of the governor and subject to the limits  
25 of sub. (10), may request that revenue obligations be contracted in accordance with



1 subch. II of ch. 18. Revenue obligations requested shall meet all of the following  
2 additional requirements:

3 1. Revenue obligations may be contracted when it reasonably appears to the  
4 building commission that all obligations incurred under this paragraph can be fully  
5 paid from moneys received from veterans repayments of loans on mortgages and  
6 mortgage notes funded under this paragraph.

7 2. The chairperson of the board shall certify that the board and the department  
8 do not expect and shall not use proceeds of revenue obligations issued under this  
9 paragraph in a manner that would cause the revenue obligations to be arbitrage  
10 bonds as defined in the Internal Revenue Code, where that debt is a bond that is  
11 exempt from federal taxation.

12 (7) REPAYMENT OF MORTGAGE LOANS. (a) There is created the veterans mortgage  
13 loan repayment fund. All moneys received by the department for the repayment of  
14 loans funded under sub. (6) (a) except for servicing fees required to be paid to  
15 authorized lenders, net proceeds from the sale of mortgaged properties, any  
16 repayment to the department of moneys paid to authorized lenders, gifts, grants,  
17 other appropriations, and interest earnings accruing, any repayment of moneys  
18 borrowed under s. 45.42 (8) (a), all moneys received under sub. (5) (a) 6., and any  
19 moneys deposited or transferred under s. 18.04 (6) (b) or (d) shall be promptly  
20 deposited into the veterans mortgage loan repayment fund. The board shall  
21 establish by resolution a system of accounts providing for the maintenance and  
22 disbursement of moneys of the veterans mortgage loan repayment fund to fund loans  
23 under sub. (6) (a) or to fund, refund, or acquire public debt as provided in s. 18.04 (5).  
24 The system of accounts shall record and provide moneys for all of the following  
25 purposes:

- 1           1. Transfer to the bond security and redemption fund.
- 2           2. Acquisition or redemption of public debt in accordance with resolutions of
- 3           the building commission.
- 4           3. Payment of losses arising from delinquency or default in the repayment of
- 5           loans funded under sub. (6) (a), including loss of principal and interest accrued to the
- 6           point of final disposition of the defaulted loan and the expenses of management and
- 7           sale of the property taken upon default of loan repayment.
- 8           4. Payment of all costs incurred by the department in processing and servicing
- 9           loans, purchasing servicing rights for loans under this section, and accounting for
- 10          and administering the program under this section, including a portion of grants
- 11          made to county veterans service officers under s. ~~45.30(8)~~ 450P2
- 12          5. Payment of all costs incurred in contracting public debt for the purposes
- 13          under s. 18.04 (5) and under s. 18.04 (2) for the purpose of funding veterans housing
- 14          loans.
- 15          6. Payment of costs of issuance of obligations to fund loans under sub. (6) (c)
- 16          if not paid from the proceeds of the obligations.
- 17          7. Payment of obligations arising from loans funded under sub. (6) (b).
- 18          8. Payment of any other costs of program operation and management
- 19          authorized under this section.
- 20          9. Loan money to the veterans trust fund, upon prior approval of the building
- 21          commission for each loan, for the purposes under s. 45.42.
- 22          10. Payment of origination fees, on behalf of veterans who have at least a 30
- 23          percent service-connected disability rating for purposes of 38 USC 1114 or 1134, to
- 24          authorized lenders under sub. (5) (b).
- 25          11. Payment required of the department under sub. (5) (a) 6.

1           12. Payment of obligations arising from the acquisition of a headquarters and  
2 museum building for the department under s. 45.03 (5) (b).

3           (b) The board may amend the system of accounts established under par. (a) only  
4 by resolution of the board that is approved by the building commission.

5           (c) If revenues of the veterans mortgage loan repayment fund are insufficient  
6 to meet all current expenses, the secretary of administration shall establish a  
7 repayment schedule whereby the general fund will be reimbursed in an orderly  
8 manner for moneys advanced. Interest rates to be charged on loans subsequently  
9 issued shall be adjusted to provide sufficient revenues to meet all of this repayment  
10 schedule.

11           (d) After meeting all expenses and providing for reserves under par. (a) 3.,  
12 assets in the veterans mortgage loan repayment fund, upon prior approval of the  
13 building commission, may be transferred to the veterans trust fund and used to fund  
14 loans under s. 45.42.

15           **(8) USE OF SURPLUSES.** Surpluses may be used under sub. (11) (c) only if there  
16 are no unrestricted fund balances available for that purpose in the funds created  
17 under sub. (10). Section 20.001 (3) (e) shall not be construed to prohibit this action.

18           **(9) LIMITATION ON REMODELING OR ALTERATION FOR A DISABLED VETERAN.** Not more  
19 than 50 percent of the proceeds of a loan granted under this section for a purpose  
20 under s. 45.34 (1) (a) may be used for remodeling or alteration of the housing  
21 accommodation after purchase to meet the special needs of a permanently and totally  
22 disabled veteran. That portion of the proceeds used for this purpose shall be reserved  
23 and distributed by the authorized lender.

24           **(10) REPAYMENT OF REVENUE OBLIGATIONS.** (a) All moneys received from any  
25 source for repayment of loans, mortgages, or mortgage loan notes funded with

1 proceeds of revenue obligations issued under sub. (6) (c) shall be deposited into one  
2 or more separate nonlapsible trust funds in the state treasury or with a trustee  
3 appointed for that purpose by the authorizing resolution for the revenue obligations.  
4 The board may pledge revenues received by the funds to secure revenue obligations  
5 issued under sub. (6) (c) and shall have all other powers necessary and convenient  
6 to distribute the proceeds of the revenue obligations and loan repayments in  
7 accordance with subch. II of ch. 18. Unrestricted balances in the funds may be used  
8 to fund additional loans issued under sub. (6) (c) and pay the balances owing on loans  
9 after the assumptions of the loans or the closings of the sales of residences under sub.  
10 (11) (c).

11 (b) Revenue obligations issued under sub. (6) (c) may not exceed \$280,000,000  
12 in principal amount, excluding obligations issued to fund or refund outstanding  
13 revenue obligation notes or to refund outstanding revenue obligation bonds.

14 (c) Except as may otherwise be expressly provided in resolutions authorizing  
15 the issuance of revenue obligations or in other agreements with the holders of  
16 revenue obligations, each issue of revenue obligations shall be on a parity with every  
17 other revenue obligation issued under sub. (6) (c) and payable in accordance with  
18 subch. II of ch. 18.

19 (11) GUARANTEED LOANS. (a) Upon any sale of the residence which secures a  
20 guaranteed loan made under this section after April 3, 1980, except for the purchase  
21 of the residence at the time the loan is initially made, the guaranteed loan may be  
22 assumed or continue to be paid in regular monthly installments if the person who  
23 assumes the mortgage loan payments or who will make the regular monthly  
24 installments agrees to all of the following:

1           1. To pay interest on the loan from the date of the assumption of the loan, if the  
2 loan is assumed, or from the date of the closing of the sale of the residence at the  
3 maximum rates of interest being charged on guaranteed loans on the date the loan  
4 was initially made.

5           2. To increase the amortization payments on the loan by an amount sufficient  
6 to amortize the loan by the date the balance on the loan is payable in full according  
7 to the original terms of the loan.

8           (b) The department and authorized lenders shall increase the interest rates  
9 and amortization payments on loans assumed under par. (a).

10          (c) After the assumption of a guaranteed loan funded under sub. (6) (c), if the  
11 loan is assumed, or the closing of the sale of a residence on which a balance is owing  
12 on a guaranteed loan funded under sub. (6) (c), the balance owing on the loan on the  
13 date of the assumption of the loan, if the loan is assumed, or the closing of the sale  
14 may be paid to the funds created under sub. (10) from available surpluses, if any, in  
15 the veterans mortgage loan repayment fund under sub. (7) (d). The loan and the  
16 mortgage and mortgage note pertaining to the loan may be purchased by the  
17 veterans mortgage loan repayment fund under sub. (7).

18          (12) PRIOR PROGRAM LOANS. Subject to this section and ss. 45.33 to 45.35, neither  
19 the department nor an authorized lender may deny a person a loan under this section  
20 because of the reason the person sold any property previously mortgaged by the  
21 person to the department or an authorized lender, if the person completely paid the  
22 balance of any previous loan under this subchapter in accordance with the terms and  
23 conditions of the promissory note and the mortgage or other agreement executed in  
24 connection with the previous loan.