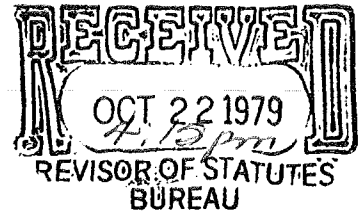


VA 2 to 4, 8, 9

CERTIFICATE



STATE OF WISCONSIN)
) SS
DEPARTMENT OF VETERANS AFFAIRS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, John R. Moses, Secretary of the State of Wisconsin, Department of Veterans Affairs, and custodian of the official records of said department, do hereby certify that the annexed repeal, amendments and repeals and recreations of rules and regulations relative to various benefits available from the Department including education grants, emergency grants, economic assistance loans, housing loans and service office grants, were duly approved and adopted by the Board of Veterans Affairs of the State of Wisconsin, Department of Veterans Affairs, on September 21, 1979, and will be effective as provided in s. 227.026(1)(intro), Wis. Stats.

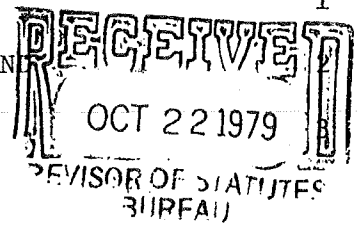
I further certify that said copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at the War Memorial Center, Milwaukee, Wisconsin, this 21st day of September, A.D., 1979.

A handwritten signature in cursive script, appearing to read "John R. Moses".

JOHN R. MOSES, Secretary
STATE OF WISCONSIN,
DEPARTMENT OF VETERANS AFFAIRS

ORDER OF THE DEPARTMENT OF VETERANS
AFFAIRS AMENDING, REPEALING AND RECREATING AN
REPEALING RULES.



Relating to rules concerning various benefits available from the Department 4
of Veterans Affairs including educational grants, emergency grants, economic 5
assistance loans, housing loans and service office grants. 6

Analysis prepared by Department of Veterans Affairs. 7

EMERGENCY GRANTS (S. 45.351(1), Stats.) 8

This proposal expands the emergency grants section of the code principally 9
by dividing the types of emergency aid which may be provided by the department 10
into health care aid and subsistence aid and specifying the limitations on 11
both types of aid in greater detail than the present department code. 12

Subsistence aid is limited to three months within any twelve month period 13
and the items which may be provided as a part of subsistence aid are listed. 14
The present department policy requiring that a determination be made by the 15
department as to whether a disability which causes want or distress can be 16
expected to continue beyond thirty days is set forth in the code as well as 17
the other policies relating to subsistence aid including a provision permitting 18
subsistence aid to be provided only when the illness or disability causing 19
loss of income results in want or distress or during periods of treatment 20
of veterans for alcoholism or drug addiction and the prohibition against 21
duplication of assistance is expanded to make it clear that subsistence aid 22
may be approved in cases where general relief might be available. 23

Limitations on health care aid are specified under one subsection of the 1
code. Health care aid for maternity care is limited to cases where want or 2
distress caused by a medical emergency is established except for applications 3
involving recently separated veterans not covered by Champus or Champva and 4
who are unable to qualify for maternity insurance coverage and to students 5
who might be forced to drop out of school unless health care aid is provided. 6
The present department policy against providing health care aid for alcoholism 7
or drug addiction treatment is incorporated in the code as is the department 8
policy against providing health care aid for non-emergency health care 9
received outside the boundaries of the State of Wisconsin unless appropriate 10
medical care is not available in Wisconsin and the restrictions presently 11
followed by the department in relation to health care aid for major surgery 12
are set forth in the code. The conditions governing the furnishing of 13
medical equipment to individuals qualifying for emergency grants are set 14
forth in the proposed code. 15

EDUCATIONAL GRANTS (S. 45.28(1)(3) and 45.396, Stats.) 16

The part-time study and correspondence course educational grants section 17
of the code has been divided into nine sections for easier reading and 18
the items which may be considered in determining a student veteran's 19
cost of education are specified. The schools approved under this grant 20
program are set forth and the proposed code prohibits reimbursement of 21
fees which are not mandatory and uniform for the courses in which students 22
are enrolled. Finally, the proposed code requires that applications for 23
reimbursement be submitted to the department by schools' veterans coordinators. 24
The Vietnam Era veterans educational grant budgets have been increased 25
by 7% to partially reflect increases in the cost of living since such 26

budgets were last established by the board. These budgets are used in 1
making computations upon which determinations of entitlement to full- 2
time Vietnam educational grants are based. 3

ECONOMIC ASSISTANCE LOANS (S. 45.351(2), Stats.) 4

A definition section has been created in the economic assistance loan 5
code primarily to define "total debt payments" which includes "annual 6
shelter payments" and other payments. This definition is considered in 7
determining whether an applicant for an economic assistance loan is able 8
to obtain credit upon manageable terms. Assets which constitute a part 9
of an economic assistance loan applicant's resources are specified and 10
cases in which an applicant's homestead must be mortgaged in order to 11
provide funds for which an economic assistance loan has been made are set 12
forth in detail. 13

The prohibition against non-resident guarantors is set forth in the code as 14
is the department policy of accepting county veterans service officers and 15
department employees as guarantors where they are guaranteeing loans of 16
members of their families. 17

The items which will constitute a part of an applicant's current monthly 18
income and the circumstances under which the department will make subsequent 19
loans for the consolidation of debts are detailed. The maximum term of 20
loans is extended from the present maximum term of five years for guaranteed 21
loans to eight years and from eight years to ten years for real estate 22
secured loans and loans for a veteran's education. 23

The department's present policies governing loans for business and agricultural purposes are incorporated in the proposed administrative code. These provisions specify the items for which such loans can be made and the information which must be obtained by the department prior to approving such loans.

The present department prohibition against making loans to pay for items that are recreational or entertainment in nature is set forth in the proposed code as is the present policy governing economic assistance loans for improvements to properties on which direct housing loans have been made within eighteen months prior to the approval of the home improvement economic assistance loans.

Present department policy precluding economic assistance loans for non-essential purposes including decks, patios and recreation rooms is set forth in the code but fireplace installations may be financed with economic assistance loans under the proposed code if it is demonstrated that the fireplace installations will be energy efficient and provide a significant supplement to the principal heating source.

The list of non-qualifying loan purposes has been expanded to include sideline investments or business enterprises which are not deemed necessary to provide a livelihood for the veteran applicant, current month to month household living expenses, except for educational loans and loans to purchase or pay existing obligations incurred exclusively for the purchase of television sets, stereos, tape decks, sporting equipment, recreational equipment, leisure or hobby equipment, or motor vehicles.

The department's present policies relating to the issuance and disbursement of loan checks are incorporated in the proposed code as is the present

department policy on the limited approval of loans to applicants who are 1
delinquent on other department loans and the limitation on the number of 2
economic assistance loans. 3

Chattel security agreements are eliminated as acceptable security for economic 4
assistance loans and real estate is stated to be acceptable security in 5
exceptional cases where the applicant has a land contract purchasers interest 6
in such real estate. 7

The educational loan section has been expanded to include provisions relating 8
to the general disbursement of loans in equal annual increments over the 9
period of the veteran's contemplated educational program, the provision for 10
delay in payments on economic assistance loans, the conditions under which 11
unsecured economic assistance loans may be made to veterans and the policies 12
followed by the department for deferment of payments on educational loans 13
where a veteran continues participation in an educational program. 14

MISCELLANEOUS HOUSING LOAN PROVISIONS (45.71(9), 45.73(1), 45.74(5), 15
45.77, 45.79(5)(a)1, and 5 and 45.80(4) Stats.) 16

The condominium section of the housing loan code is amended to make the 17
requirement for professional management inapplicable to condominiums 18
with very few units and to change the department's code requirements to 19
conform to the requirements of the new condominium law where such code 20
requirements are presently stricter than the requirements of the new law 21
by permitting deferment of transfer of management of common elements to 22
unit owners until 75% of the units have been sold and reducing the 23
percentage of unit owners and mortgagees required to approve declaration 24
changes from 100% to 75%. 25

One proposed amendment would make it clear that the income of an applicant who elects to have such income reduced by the amount of alimony and child support payments shall be reduced for all purposes instead of solely for the purpose of computation of debt servicing payments and another would restrict cases where the cost of real estate to a donor may be used as the cost of such real estate for housing loan computations to cases where the entire parcel of real estate purchased by the donor has been conveyed to the veteran applicant.

A further proposed amendment would permit loans to be made to divorced veterans who are in arrears on their alimony or support payments because of past difficulties but who have made regular alimony or support payments for at least the twelve months immediately preceding their housing loan applications and have either made arrangements for the payment of the arrearages in supplemental payments or have obtained a deferment of their obligation to pay arrearages.

Other changes in the housing loan code are of a strictly technical nature except for a proposed amendment which would permit the secretary of the department to designate an individual other than a department employee to be a hearing examiner in a case involving the proposed suspension of a builder, authorized lender or appraiser.

Pursuant to authority vested in the Department of Veterans Affairs, by sections 45.28(1)(3), 45.35(3) and 45.73, Wis. Stats., and pursuant to Chapter 227, Wis. Stats., the department of Veterans Affairs hereby repeals, amends and repeals and recreates rules interpreting sections 45.28(1)(3), 45.351(1) and (2), 45.396, 45.43(7), 45.71(9), 45.73(1), 45.74(5), 45.77, 45.79(5)(a)1. and 5. and 45.80(4), Wis. Stats., as follows:

VA 1.12(4) of the Wis. Adm. Code is repealed. (s.45.74(1), Stats.) 1

VA 1.13 of the Wis. Adm. Code is repealed and recreated to read: 2

VA 1.13 Discrimination prohibited. Discrimination against properly 3
qualified persons in the provision of veterans assistance under Chapter 4
45 on the basis of age, race, creed, color, handicap, sex, national 5
origin or ancestry, is prohibited, and except that all persons employed 6
by the department shall if possible be veterans as defined in s. 45.35(5), 7
Stats., and that preference shall be given to disabled veterans, discrimination 8
against qualified persons in the employment of staff on the basis of age, race, 9
creed, color, handicap, sex, national origin or ancestry is prohibited. 10

COUNTY VETERANS SERVICE OFFICERS (S. 45.43(7), Stats.) 11

The schedule of pay ranges for county veterans service officers has been amended 12
from "schedule 16" to schedule "1" on the basis of changes made by the Bureau of 13
Personnel in pay range schedules which since the code was last changed and the 14
CVSO grant section is amended to permit counties to qualify for grants if they 15
submit required annual reports to the department within six months of the end of 16
their fiscal years rather than within sixty days of the end of their fiscal 17
years. 18

MISCELLANEOUS CHANGES 19

The section prohibiting discrimination has been expanded to prohibit discrimination 20
on the basis of age, race, creed, color, handicap, national origin or ancestry 21
in the granting of benefits and in the employment of department personnel except 22
that all persons employed by the department shall, if possible, be veterans. 23

Chapter VA 2 of the Wis. Adm. Code is repealed and recreated to read:

(ss. 45.351(1) and 45.396, Stats.)

CHAPTER VA 2
GRANTS

VA 2.01 EMERGENCY GRANTS (1) DEFINITIONS. In this section the following terms shall have the designated meanings:

(a) "Health care aid" means payment by the department for essential medical services, including without limitation by reason of enumeration physician services, hospital charges, eye glasses, prostheses, leasing or purchase of medical appliances and equipment and dental care.

(b) "Subsistence aid" means payment by the department for essential budgetary requirements including without limitation by reason of enumeration, rent or mortgage payments on the veteran's or veteran's dependents residential living quarters, food, clothing, medical insurance, prescribed medications, travel, moving expenses, household utilities expenses including heat, electricity, gas and telephone, and, in exceptional cases, for such other items relating to temporary emergency aid as the department may deem necessary.

(2) OBJECTIVE. The department may grant to any veteran or eligible dependent such temporary emergency aid from the veterans trust fund as may be necessary to prevent want or distress. Want and distress may be deemed to exist only when an applicant for temporary emergency aid has insufficient resources to cover the cost of health care or subsistence required by the applicant and the applicant's dependents, is ineligible for sufficient aid under federal or state assistance programs, except for direct general relief, and when the applicant has insufficient

income to enable the applicant to repay a loan, the proceeds of which could be used for the purpose of providing necessary health care. Applicants and their dependents will be required to apply all medical insurance benefits and all available liquid assets, except for the cash surrender value of life insurance policies, toward the cost of their health care or subsistence before the department may approve emergency aid.

(3) SCOPE OF EMERGENCY AID. Emergency aid to prevent want or distress may be authorized to provide health care aid and subsistence aid. Emergency aid for students will be construed as such assistance as will enable a student to pursue without interruption the course of education or training undertaken. Any medical care provided a student veteran or student veteran's dependents will be considered emergency medical care, unless the veteran has sufficient financial resources so that the cost of such medical care would not result in interruption of education or training.

(4) LIMITATIONS. (a) Health Care Aid: health care aid to meet medical or hospital bills will be limited to a payment for a maximum of thirty days within a twelve month period for the same condition or conditions. Where need for such care results from willful misconduct, health care aid will not be granted.

1. Except for applications involving recently separated veterans not covered by CHAMPUS or CHAMPVA and who are unable to qualify for maternity insurance coverage, and students who might be forced to drop out of school unless health care aid is provided, health care aid for expenses of maternity care may be granted only if want or distress caused by a medical emergency is established.

2. Health care aid for dental care will be limited to extractions, fillings and plate repairs, unless adjunct to health care aid otherwise provided resulting from accidental injury.

3. Health care aid will not be authorized to provide payment for the treatment of alcoholism or other drug addiction.

4. Health care aid for hospital and medical care received outside the boundaries of the state of Wisconsin may be authorized only in case of medical emergency, unless appropriate medical care is not available in Wisconsin as determined by a medical advisory committee to consist of staff physician selected by the superintendent of university hospitals, a staff physician selected by the director of the Wm. A. Middleton VA Memorial Center, and a staff physician selected by the medical director of Wisconsin veterans home.

5. Health care aid for major surgery to a veteran such as open heart surgery, kidney transplant, etc., will not be authorized when the attending physician determines that surgery does not constitute a medical emergency and when the veteran fails to seek such surgery at either a veterans administration hospital or university hospitals at the veterans preference rate for hospitalization and physicians services.

(b) Subsistence Aid: Subsistence aid will be provided only on a month-to-month basis and will be limited to three months within a twelve month period for the same condition or conditions. When there is evidence that the disability which causes want or distress can be expected to continue beyond 90 days, veterans

or dependents of veterans will be directed to make application for other governmental assistance. Subsistence aid may be provided only when illness or disability causing loss of income results in want or distress or during periods of treatment of veterans for alcoholism or drug addiction. Except as otherwise provided herein, subsistence aid shall not include payment of existing debts, loans or credit purchases. Subsistence aid shall not be granted for the purchase of or payment for luxury or mere convenience items. Subsistence aid for payment of motor vehicle expense, including fuel and repairs and monthly motor vehicle payment if necessary to prevent repossession, may be provided only when use of such motor vehicle is required for medical care, spouse's employment, transportation of children to school or other necessitous reasons during the period of incapacitation.

(5) USE OF AVAILABLE AGENCIES. The department shall require that the veteran or veteran's dependent for whom health care aid is requested obtain medical treatment or other required emergency aid from federal, state, county or local agencies if possible. When medically feasible, veterans should be transferred to a VA hospital and, for long-term hospitalization, dependents should be transferred to university hospitals, if possible. Availability of other programs, such as medicare, medicaid, aid to the aged, handicapped children admission to university hospitals, state-county admission to university hospitals, special aids to school age children, etc., must be considered before approving a grant from the veterans trust fund for non-emergency medical care.

(6) PRIOR AUTHORIZATION. Except in the case of medical emergency, prior authorization must be obtained for health care aid. In the case of medical emergency, health care aid may be granted for medical and dental care received

within the 10 day period prior to receipt by the department of a valid notice
that treatment has been or is being received for an emergency condition.

(7) PAYMENT OF MEDICAL BILLS. Where payment for medical or hospital bills has
been approved by the department, final payment will be made only when itemized
medical or hospital statements are submitted in duplicate.

(8) FURNISHING OF MEDICAL EQUIPMENT. Major medical appliances and equipment
required for rehabilitation, to continue employment or maintain life may,
notwithstanding the provisions of VA 2.01(4)(a), Wis. Adm. Code, be provided for
use as long as medically necessary, but if purchased by the department ownership
thereof will remain with the department.

(9) EVIDENCE REQUIRED. Temporary emergency aid will be granted only if the
department has sufficient evidence in its files upon which to base such aid.
When deemed necessary, direct investigation may be made prior to acting upon an
application.

(10) DELINQUENT LOANS NOT A BAR. A delinquent loan shall not bar temporary
emergency aid from the department, but such emergency aid shall not be used to
repay a department loan in whole or in part.

(11) DUPLICATION OF ASSISTANCE. When assistance applied for under this section
is available from other agencies, excepting only general relief, emergency aid
may not be approved except as a supplement to such other assistance, but emergency
aid may not be used to duplicate assistance provided by other agencies including
general relief.

VA 2.02 EDUCATIONAL GRANTS FOR CORRESPONDENCE COURSES AND PART-TIME CLASSROOM STUDY. Students who are veterans and establish eligibility for reimbursement of the cost of enrolled part-time classroom study courses or direct correspondence courses under the provisions of this section may be reimbursed in whole or in part for the cost of such courses to the extent authorized under this section.

(1) Relation to Objectives. Courses must be related to the student's occupational, professional, or educational objectives.

(2) Extent of Reimbursement. A student may be reimbursed to the extent that payment or reimbursement specifically for tuition, fees and required textbooks is not available from any other source or in cases where reimbursement from another source is not specifically for tuition, fees and required textbooks, reimbursement from the department may be made to the extent that reimbursement from another source is insufficient to cover all of the costs incurred in connection with the student's educational program including but not limited to the costs of food, housing, utilities, transportation and medical or dental treatment. Such reimbursement shall not exceed the cost of tuition, fees, and required textbooks.

(3) Approved Schools. To be reimbursed a student must be enrolled at an approved school. Approved schools are limited to those in the University of Wisconsin System, those receiving aid from the Vocational, Technical, and Adult Education Board, those located in Wisconsin which are approved by the North Central Association of Colleges and Schools and to the public or private high schools in Wisconsin.

(4) Definition of Part-Time Study. *Part-time classroom study during a regular college semester, trimester or quarter means enrollment by a graduate or professional student in courses for which no more than 7, or enrollment by an undergraduate student in courses for which no more than 11, semester or the equivalent trimester or quarter credits will be given upon satisfactory completion. In this subsection a graduate student means any student who has received a baccalaureate degree whether the student is taking graduate or undergraduate courses. Part-time classroom study during a summer semester or session shall be defined as study considered to be part-time by the educational institution being attended.*

(Italicized language from s. 45.396, Stats.)

(5) Degree Limitations. Any student who has obtained a master's degree or its equivalent is ineligible for grants under this section. Any student who has obtained at least a baccalaureate degree or its equivalent, but not a master's degree or its equivalent, is not eligible for grants under this section if the student has remaining federal veterans administration education benefits. For the purposes of this subsection an LLB degree shall be deemed to be the equivalent of a masters degree.

(6) Application Deadline. To be approved an application must be received by the department prior to satisfactory completion of the course for which application for reimbursement is made.

(7) Notice of Completion. The student will be reimbursed for the cost of tuition, fees and required textbooks to the extent authorized, upon receipt of a certificate of satisfactory completion signed by the approved school's veterans coordinator listing the official satisfactory completion date and the costs of tuition, fees, and required textbooks.

(8) Limitations. Reimbursement for fees shall be limited to those fees which are mandatory and uniform for the courses in which the student is enrolled and which are paid to schools set forth in subsection (3), and reimbursement shall not include the cost or value of meals and lodging which may be included in such fees. Reimbursement for tuition shall be limited to tuition paid to schools set forth in subsection (3).

Chapter VA 3 of the Wis. Adm. Code is repealed and recreated to read:

(s. 45.351(2), Stats.)

CHAPTER VA 3
ECONOMIC ASSISTANCE LOANS

VA 3.01 DEFINITIONS. In this chapter the following terms shall have the designated meanings: (1) "Annual shelter payment" means the total annual payments anticipated for rental of living quarters, or if the applicant is the owner of a homestead, principal and interest payments on all loans against the homestead and real estate taxes and hazard insurance payments on the homestead, and if the homestead is a condominium shall also include the owner's share of expenses for the common elements, and if the homestead is a mobile home located on land not owned by the applicant shall also include monthly mobile home parking fees and if the applicant's homestead has a septic disposal system which relies upon a holding tank, shall also include holding tank pumping fees.

(2) "Applicant" means a veteran who applies for an economic assistance loan under s. 45.351(2), Stats. The term "applicant" also means the applicant and co-applicant, if there is a co-applicant, unless the context clearly limits the meaning to only the applicant.

(3) "Co-applicant" means any person who is eligible to apply and does apply with an applicant for an economic assistance loan.

(4) "Loan" means an economic assistance loan and "loans" means economic assistance loans.

(5) "Total Debt Payments" means one-twelfth of an applicant's "annual shelter payment" and the applicant's anticipated monthly payments on debts. Anticipated monthly payments on debts shall be based upon the monthly payments which the applicant would be required to make on such debts including the economic assistance loan applied for, or, in the alternative, upon financing from a conventional lending institution to provide funds for the purposes set forth in the economic assistance loan application. Periodic debt repayments required to be made on other than a monthly basis shall be converted to monthly payments by multiplying such payments by the quotient arrived at by dividing the number of months between the due dates of such payments into 1. (E.g. a \$600 semi-annual payment would be converted to a \$100 monthly payment by dividing 6 into 1 and multiplying the resulting quotient of .16667 by \$600.) Total debt payments shall include 10% of the applicant's indebtedness which will not be paid by loan proceeds and on which periodic payments are not required, except indebtedness incurred for educational purposes.

(6) "Veteran" or "veteran applicant" means a veteran as defined in s. VA 1.06, Wis. Adm. Code, who is an "applicant" for a "loan".

VA 3.02 GENERAL. (1) Objective. *The department may lend to any veteran who qualifies for a loan under the provisions of this chapter and section 45.351(2), Stats., an amount not more than the statutory limit from the veterans trust fund to provide economic assistance for the purposes set forth in section 45.351(2), Stats., where the veteran's need to provide funds for such economic assistance is established to the satisfaction of the department and such veteran is unable to meet that need from available resources or credit upon manageable terms.*

(Italicized material from s. 45.351(2), Stats.) In determining need the department shall use such criteria as: the purpose of the loan; the size

and the health of the applicant's family; the applicant's total debt structure including term of debts, level of payments and types of obligations; the nature of, frequency of and intensity of the problems creating the need for loan funds; the length of the applicant's time on the job and the level and dependability of the applicant's income; the applicant's past credit practices; availability of credit to the applicant; the absence or presence of exceptional circumstances and such other factors as may be relevant to a determination of need in individual cases.

(2) Resources. (a) A veteran's resources shall include, but not be limited to, all cash on hand and liquid assets, and non-liquid assets the conversion of which to cash would not result in a substantial loss, including all resources owned by the veteran and the veteran's spouse, individually or jointly, unless the veteran and spouse are separated or in the process of obtaining a divorce, but shall not include assets excluded as funds by s. VA 4.05(1)(b) and (c), Wis. Adm. Code, or the first \$500 of the applicant's checking account balance which may be retained for current monthly expenses. The applicant may also be permitted to retain from the cash and liquid assets portion of such resources an amount up to \$1,000 for the purpose of protecting against unanticipated emergency expenses.

(b) Resources shall also include the veteran applicant's homestead which the applicant will be required to encumber to obtain funds when the applicant's equity therein exceeds 75% of the current market value of the homestead as determined by the department on the basis of information contained in the application, unless the current market value of the homestead based upon information contained in the application is determined by the department to be \$15,000 or less, or unless the veteran applicant is 60 or more years of age, or unless the veteran applicant is totally and permanently disabled, or unless the applicant's

income is below the poverty level as established by the "Nationwide Poverty
Income Guidelines" as published from time to time by the Federal Office of
Management and Budget.

(c) Resources shall include the applicant's non-homestead real estate where the
department determines that the applicant's equity in such real estate would
enable the applicant's needs to be met through encumbering such real estate.

VA 3.03 GENERAL LOAN POLICY. (1) Administrative Expenses. Ordinary expenses
incidental to making loans, not including cost of appraisals, title fees, and
recording fees, will be borne by the department as administrative expenses.

(2) Guarantors. Any Wisconsin resident who is determined by the department to
be financially responsible and whose joining in the obligation will provide
adequate security for the loan, may be accepted as a guarantor, except that,
unless the applicant is a member of the guarantor's immediate family, no employee
of the department, no county veterans service officer and no other person in any
way connected with the administrative duties of the department or serving in an
advisory capacity thereto shall be accepted as endorser or guarantor on any
loan.

(3) Availability of Credit Upon Manageable Terms. An applicant whose credit-
worthiness is established by a factual data credit report will be considered to
have available credit upon manageable terms when the department determines that
the applicant's total debt payments will not exceed 25% of current monthly
income if the applicant were to retain present financing for debts or obtains
financing from a conventional lending institution to provide funds for the

purposes set forth in the loan application, unless the veteran applicant is a full-time student, was separated from active military service within the 12 months prior to application, evidences lack of employment and income stability, is 60 or more years of age, or is totally and permanently disabled, or unless such applicant's income is below the poverty level as established by the "Nationwide Poverty Income Guidelines" published from time to time by the federal Office of Management and Budget, or where continuing financial problems resulting from size of family, health of family, low level of income or other unique circumstances indicate that the applicant would be unlikely to find credit available upon manageable terms.

(4) Loan Application. A loan application, including required exhibits and supplements, shall contain such information as is necessary to satisfy the department that the proceeds of the loan will contribute substantially to the solution of the veteran's economic problems, that orderly repayment of the loan applied for will probably be made by the applicant and, in the case of a business loan, that the veteran's business enterprise is likely to succeed. Statements from conventional lending institutions required by s. 45.351(2)(a), Stats., as affected by Chapter 34, Laws of 1979, shall be submitted to the department as a part of the loan application. Applications for loans by veterans who are married and not separated or in the process of obtaining a divorce, must be completed and signed by the veterans' spouses. Applications shall be prepared with the assistance of and submitted through the office of a County Veterans Service Officer.

(5) Current Monthly Income. Except for income to be derived by an applicant from a business which the applicant proposes to establish or purchase, or from

farming, the current monthly income of an applicant shall be based upon the definition of "current monthly income" in s. VA 4.01(7), Wis. Adm. Code, and the criteria for evaluation of income set forth in s. VA 4.05(5)(b) to (h), Wis. Adm. Code. Income to be derived by an applicant from a new business which the applicant is establishing or purchasing may be based upon an acceptable projected profit statement. In addition to farm income reported on the applicant's last income tax return, income from farming shall include adjustments to reflect the value of food stuffs consumed by the applicant and members of the applicant's household and write-offs for accelerated depreciation and investment credits.

(6) Term of Loans. All loans will be amortized on a monthly basis and the initial term of all loans, except loans secured by real estate mortgages and loans for a veteran's education, shall not exceed a maximum of 8 years. The initial term of loans secured by real estate mortgages and loans for a veteran's education shall not exceed 10 years. The department may require shorter repayment terms.

(7) Consolidation of Debts. Loans may be made to finance existing debts when the department is satisfied that the veteran's debt commitments are beyond the veteran's capacity to repay in an orderly manner. Such loans will be made only where they will substantially consolidate all the veteran's debts, other than the home mortgage, or result in significantly reduced total debt payments. Applications for such loans shall include a listing of the applicant's total debts giving the dates such debts were incurred, the original amounts where possible, the purposes for which incurred and the amounts which the applicant's creditors will accept to satisfy such debts. After one such loan has been made

to an applicant, further loans may be made for the payment of debts only when
the need for such further loans arises from unusual and unforeseeable circumstances
and where such loans are approved by the chief of the economic assistance loan
section.

(8) Business and Agricultural Loans. A loan may be made for the purchase of a
business or business property or for the establishment or operation of a business
and, to a self-employed veteran, for the purpose of providing necessary working
capital or of acquiring or paying for needed machinery, equipment, materials,
supplies or services used in producing business or agricultural income. An
applicant for such loan shall furnish sufficient data relating to the business
or farming operations including relevant experience and background, finances,
earnings, operating details, projections and other relevant information to
enable the department to make a decision on the loan request. In addition to
other relevant information, an applicant who proposes to establish a new business
enterprise or purchase an existing business must submit evidence of the probable
net profit from the business in the form of evidence of the net profit realized
by the former owner of the business or in the form of a projected profit statement
based upon a fair mark-up and a survey of the territory in which the business
will be located.

(9) Mobile Home Loans. A loan may be made for the purpose of purchase of or
improvements to a mobile home used or to be used by the veteran as the veteran's
primary residence, including transportation and hook-up expenses, the necessary
provision of or replacement of a primary water system, including well, or of a
septic disposal system, and essential repairs or maintenance, whether or not

such mobile home is located on or to be located on land owned by the applicant,
and for the purchase of land on which such mobile home is located or to be
located.

(10) Home Furniture, Furnishings and Fixtures Loans. A loan may be made to
purchase, or to pay existing obligations for necessary household furniture,
furnishings, fixtures, equipment and appliances that are not considered by the
department to be entertainment or recreational in nature.

(11) Real Estate and Home Improvement Loans. A loan may be made for repairing,
maintaining, improving, remodeling or adding to a veteran's home, for the
construction of a garage or the drilling of a well or installation of a septic
system on the veteran's homestead property or for the completion of the construction
of a veteran's home subject to the following conditions:

(a) A loan for the completion of the construction of a veteran's home will not
be made to complement a department housing loan, except as provided in par. (b),
and such a loan may only be made where the proceeds thereof will enable the
veteran to fully complete the construction of the veteran's home.

(b) In cases where a direct veterans' housing loan was approved within 18 months
of the date of processing of an economic assistance loan application for the
purposes set forth in this subsection, except for necessary repairs and improvements
or for the drilling of a well or installation of a septic system including
payment of cost overruns on wells and septic systems, a loan may only be made if
the total cost of the property including the cost of the property upon which the
direct housing loan was based and the cost of the proposed improvements or

remodeling or the construction of a garage does not exceed the statutory maximum
in s. 45.74(5), Stats., and if 2½ times the applicant's income equals or exceeds
the cost of the property upon which the direct housing loan was based plus the
cost of proposed improvements or remodeling or of the construction of a garage
or if 2 times the applicant's income exceeds the cost of the housing accommodation
and garage upon which the direct housing loan application was based plus the
cost of proposed remodeling or improvements or the construction of a garage.

(c) An improvement and remodeling loan will not be approved for nonessential
purposes including, but not limited to, decks, patios and recreation rooms and
fireplace installations unless it is demonstrated that the proposed fireplace
installation will be energy efficient and will provide a significant supplement
to the principal heating source, and such a loan may be approved for an air
conditioning unit only if recommended by a physician as medically necessary or
where the installation of such unit is incidental to the installation of a
heating system being installed at the same time as the air conditioning unit.

(12) Nonqualifying Loan Purposes. No economic assistance loan will be made:

(a) Where a guarantor receives any of the loan proceeds.

(b) For the payment of debts owed to, or owed by, members of the veteran's
family or spouse's family on the date of application.

(c) For a veteran to engage in a business enterprise which the department
considers to be high risk, highly speculative, marginally profitable or which
involves products, practices or services which are illegal.

(d) For a veteran to engage in a business enterprise which the department determines to have minimal chances for success because of inadequate working capital or credit or because the veteran lacks relevant experience.

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(e) To underwrite, finance, purchase, subsidize, aid or assist in a sideline investment or business enterprise which is not deemed necessary to provide a livelihood for the applicant.

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(f) Where the loan proceeds will not directly benefit the veteran or will only be of a minimal benefit, where the proceeds will not substantially resolve the applicant's financial problems, or where the proceeds are required to repay obligations resulting from the veteran's willful misconduct.

(g) For current month-to-month household and living expenses, except in the case of education loans, or for the payment of current income or property taxes.

(h) To provide all or any portion of the down payment for the acquisition of real estate, for the improvement of land to be used for home construction purposes, or for the purchase of a veteran's home. The provisions of this paragraph shall not apply to mobile home loans under subsection (9).

(i) To purchase, or to pay existing obligations incurred exclusively for the purchase of television sets, stereos, tape decks, recording equipment, sporting equipment, recreational vehicles or equipment, leisure or hobby equipment, or motor vehicles.

(j) To assist in meeting expenses relating to the education of a veteran's spouse.

(13) Loan Checks. (a) Loan checks will be made payable to the veteran and such other persons as may be necessary to insure proper application of loan proceeds and such checks will not be released until all requirements set forth in department commitment letters have been complied with to the satisfaction of the department.

(b) In a home improvement loan, checks will usually not be ordered by the department until the loan promissory note is returned to the department together with either confirmation from the veteran that the specific vendors or contractor whose proposals were submitted to the department with the veteran's application will do the work or supply the materials, as evidenced in the proposals, or a statement from the veteran confirming which of the original vendors or contractors will be retained and a statement of any new vendors or contractors who will do work or supply materials together with proposals from such new vendors or contractors.

(c) Loan checks returned to the department in cases where the veteran no longer needs the loan funds or desires to have such funds used for the payment of specific creditors or vendors will be cancelled and, unless the chief of the economic assistance loan section approves the issuance of new checks at the request of the veteran to other creditors or vendors to provide economic assistance, the amount of the loan balance will be reduced by the amount of such checks.

(14) Delinquency on Department Loans. The department will not approve a loan to an applicant who is delinquent on another loan from the department, as of the date of application for the loan, except with the approval of the chief of the economic assistance loan section.

(15) Limitation on Number of Loans. An applicant may not have more than one economic assistance loan at one time, except where the balance of an existing loan is to be paid from the proceeds of a new loan.

VA 3.04 SECURITY REQUIRED. Adequate security shall be required to insure the repayment of all economic assistance loans made, except that on loans in the amount of \$350 or less the department may waive the requirement of security.

(1) Guarantors. The department may accept as adequate security the guarantee of loan promissory notes by creditworthy and financially acceptable guarantors.

(2) Real Estate Security. When real estate is offered as security, the applicant must carry fire and extended coverage insurance on the real estate improvements in an amount acceptable to the department, the loan applied for must be \$1,000 or more, and the applicant must submit evidence of sufficient equity therein to provide adequate security for the loan, a memorandum of insurance coverage showing the department's security interest, and, except as hereinafter provided, of the possession of merchantable title to such real estate. In exceptional cases, with the approval of the chief of the economic assistance loan section, the department may accept real estate mortgages and security assignments of purchasers interests in land contracts on properties in which the applicants have land contract purchasers interests as security for department loans.

(3) Unacceptable Security. Chattel security agreements will not be accepted as security for loans.

VA 3.05 EDUCATIONAL LOANS. (1) Loans to Veterans. (a) A loan to assist a veteran to complete the veteran's educational objective as stated on the veteran's loan application may be granted upon approval of the veteran's course of instruction by the department where the veteran's need is established to the satisfaction of the department. Such veteran's need for funds will be based upon standard student budgets computed on the basis set forth in s. VA 9.03, Wis. Adm. Code,

plus such amounts as the department deems necessary to enable such veteran to meet exceptional expenses not covered by such budgets.

(b) A loan to a student veteran to provide funds for meeting expenses relating to the veteran's education will generally be disbursed in equal annual increments over the period of the veteran's contemplated educational program.

(c) The first payment due date on a secured educational loan may be scheduled to begin 3 months after anticipated completion of the veteran's educational objective but such first payment due date may not be more than 14 months from the date of loan approval.

(d) An unsecured loan for educational purposes will only be granted to a veteran who has completed 2 years of post high school education or at least $\frac{1}{2}$ of the requirements for attainment of the veteran's educational objective as stated on the veteran's application whichever is less, and repayment of an unsecured loan may not be deferred.

(e) An educational loan to a part-time student, except for a part-time student who would qualify for deferment under the criteria set forth in subsection (4), may be approved only for the purpose of providing funds for tuition, fees, books and supplies and the first payment due date on such loan will not be deferred.

(f) A loan to a student veteran for purposes other than meeting expenses relating to such veteran's education may be granted based upon the criteria which apply to the granting of such loans to non-student veterans.

(2) Education in Out-of-State Schools. A loan to a veteran attending a school outside of Wisconsin may not be made when an adequate course of study in the desired field of education is available to the veteran in Wisconsin unless attendance at a school located in Wisconsin would be an undue hardship on the veteran. The application of a veteran for assistance in meeting expenses relating to education in an out-of-state school shall be deemed an application for approval of the full amount of the economic assistance loan for which such veteran could qualify for his entire contemplated course of instruction in the out-of-state school.

(3) Children's Education. A loan to a veteran or to a veteran's unremarried surviving spouse may be made for the education of a veteran's child whether or not such child is minor or dependent. A loan to a veteran's remarried surviving spouse or to the surviving parent of a deceased veteran's child may be made only for the education of such veteran's minor or dependent child. Such loans may only be made upon approval by the department of the course or courses of instructions.

(4) Deferment of Payments. Where a veteran who is enrolled in a full-time course of instruction, as verified by the educational institution in which the veteran is enrolled, or in a part-time course of instruction only in cases hereinafter set forth, applies for deferment of the obligation to commence or continue to make payments on a loan, the department may grant a deferment if the installments on such loan are less than 90 days delinquent at the time of approval of the deferment and, in the case of a guaranteed loan, if the guarantors consent in writing to the deferment. A deferment may not exceed 1 year and may not extend more than 3 months beyond the anticipated completion date of the veteran's

educational objective but a veteran may qualify for additional deferments if
eligible for such deferments under the provision of this subsection at the time
of application therefor. The department may grant deferments to a veteran
enrolled in a part-time course of instruction because such veteran is disabled
or unable to due to physical or mental disability to enrol in a full-time course
of instruction, is unable to obtain full-time veterans administration educational
assistance, is a graduate student who has completed the course of work required
for a degree but must complete a thesis requirement, or is in the final semester
or term of an educational program and needs less than full-time study to meet
graducation requirements. Participation in a medical intership program shall be
deemed to be enrollment in a full-time course of instruction for the purposes of
this subsection. (NOTE - Department of Veterans Affairs Form 29 has been revised
on the basis of the changes made in Chapter VA 3, Wis. Adm. Code.)

VA 4.03(5)(b), (c) and (d) and (6)(d) of the Wis. Adm. Code are amended to read:
(ss. 45.73(1) and 45.79(5)(a)1., Stats.)

VA 4.03(5)(b) Professional management must be provided for any condominium
having more than 16 units if the declaration was recorded after January 1, 1975.
(Professional management means: a real estate management firm contracted for by
the developer or the homeowner's association to manage the condominium project,)

(c) The condominium documents shall provide assurance that the unit holder's
interest in common ~~areas-and-facilities~~ elements (as defined in s. 703.02~~(6)~~(2),
Stats.) will not be diminished in any manner based upon the maximum number of
units to be built without the consent of at least 75% of the unit owners and
mortgagees.

(d) The declaration or by-laws must provide for the orderly transfer of the ownership and management of the condominium common elements after the sale of 51% 75% of the units in the current phase but in no event more than 2 years from the date of the declaration.

(6)(d) No applicant may have both a secondary loan and a direct loan or two direct loans from the department at the same time and no direct loan proceeds shall be utilized to repay any balances owing the department by applicants for direct loans on secondary loans or other department loans.

VA 4.05(5)(j), (6) and (13) of the Wis. Adm. Code are amended to read:
(ss. 45.71(9), 45.73(1), 45.74(5), and 45.79(5)(a)1., Stats.)

VA 4.05(5)(j) The income of an applicant who is required by court order to make alimony or child support payments may, upon the applicant's request, be reduced by the amount of such required payments solely for the purposes of computing the applicant's income for the purposes of s. 45.74(5), Stats., and the applicant's shelter cost, debt servicing payments and total debt payments, and only the remaining income shall be considered in ~~computing the applicant's debt servicing payments and total debt payments~~ making such computations, but not for the purpose of qualifying an applicant whose income exceeds the maximum annual income limitation.

(6) GIFTS. Money or the value of real estate received by an applicant as a gift shall be considered the applicant's own funds. However, to be considered funds of the applicant, the donor shall certify that the gift is outright and irrevocable and no repayment is required. All gifts that have been transferred prior to or

at the time of closing shall be verified in writing. The donor may not be party to or have an interest in the real estate or construction transaction involving the home proposed for purchase, construction or refinance. The value of real estate given to an applicant shall be either its assessed value as equalized for state purposes, its appraised value, or the original cost thereof to the donor where the donor has given the applicant all contiguous land acquired by such donor by any single conveyance, whichever is most advantageous to the applicant. The value of such real estate, as elected above, shall be its cost for all purposes.

(13) BANKRUPTCY, JUDGMENTS, ETC. Applications from applicants currently under federal chapter 13 plans will not be accepted unless the applicants are in the final year of their plans, have satisfactory payment records under their plans and have made all required payments under their plans. Any application from an applicant who has been subject to bankruptcy proceedings or to liens and judgments within the 5 years immediately preceding the application, shall be examined carefully and the circumstances fully analyzed to determine whether the applicant is creditworthy and has demonstrated financial recovery. A copy of the petition, schedules of debts and discharge in bankruptcy along with the applicant's signed statement of the reason for such bankruptcy must be submitted with the housing loan application. In the absence of an acceptable reason for the bankruptcy, liens or judgments, there must be a strong history of recovery and good present financial standing. If the applicant's credit is to be considered favorable, liens and judgments must be satisfied prior to the time of closing of a housing loan and alimony and support payments must be current as of the date of approval of the housing loan application by the department. Evidence from the clerk of courts that the applicant is current or, if the applicant is in arrears, that regular payments have been made every month for not less than 12 months

immediately preceding the loan application date and that such applicant has made
arrangements which the department deems satisfactory for payment or deferment of
the obligation to repay the arrearage owing shall be submitted to the department
in the case of support, alimony and separate maintenance payments.

VA 4.07(6)(f) of the Wis. Adm. Code is amended to read: (s. 45.77, Stats.)

VA 4.07(6)(f) The appraiser shall evaluate personal property if personal
property of value is included in the property to be purchased or constructed.

VA 4.09(3) of the Wis. Adm. Code is amended to read: (s. 45.80(4), Stats.)

VA 4.09(3) PRELIMINARY EVIDENCE OF TITLE AND FINANCING. When the primary lender
is a private individual or where the department cannot be assured that the
disbursement of secondary loan funds will be adequately supervised, a copy of
the proposed primary mortgage and mortgage note, and a preliminary attorney's
opinion of title on the abstract extended to date, or a current title report,
must be submitted. A preliminary attorney's opinion of title on the abstract
extended to date or a current title report must also be submitted when an existing
primary mortgage ~~secondary~~ loan is to be retained or assumed by the application
or when the department is requested to make a first mortgage secondary loan.

VA 4.11(3) of the Wis. Adm. Code is amended to read:

(ss. 45.73 and 45.79(5)(a)5., Stats.)

VA 4.11(3) CONDUCT OF HEARING. The hearing shall be held before a hearing
examiner who shall be department-employee designated by the secretary. The
hearing examiner will have the power enumerated under s. 227.09, Stats. Every
party to the hearing shall be afforded adequate opportunity to present evidence

and to rebut evidence presented or offer countervailing evidence. A stenographic, electronic or other record shall be made of the hearing. The record shall be transcribed by the department, and free copies of the written transcript may be provided to any party in interest upon request.

The schedule under VA 8.01 of the Wis. Adm. Code is amended to read:
 (s. 45.43(7), Stats.)

VA 8.01 (Schedule)

	Population Range	Pay Range
Class I	under 5,000	16-06 <u>1-06</u>
Class II	5,000 to 12,499	16-07 <u>1-07</u>
Class III	12,500 to 19,999	16-08 <u>1-08</u>
Class IV	20,000 to 44,999	16-10 <u>1-10</u>
Class V	45,000 to 74,999	16-12 <u>1-12</u>
Class VI	75,000 to 149,999	16-13 <u>1-13</u>
Class VII	150,000 to 499,999	16-14 <u>1-14</u>
Class VIII	over 500,000	16-15 <u>1-15</u>

VA 8.02(1) of the Wis. Adm. Code is amended to read: (s. 45.43(7), Stats.)

VA 8.02 Application, report and eligibility. (1) APPLICATION. Application for county veterans' service grants shall be made by the county not later than 60-days 6 months after the start of the fiscal year for which the grant is claimed on forms prepared by the department. An application must be accompanied by a copy of the budget proposed for the county veteran's service office for the fiscal year for which the grant is claimed. Application shall be made annually, and the county must meet minimum budget and operating standards established by the department for the county veterans' service office in order to qualify for the initial grant and for each succeeding grant.

VA 9.03 of the Wis. Adm. Code is amended to read: (s. 45.28(1)(e), Stats.)

VA 9.03 Standard student budgets. Standard single and married student educational budgets shall include standard living expenses budgets for single or married students, to which shall be added ~~\$70.00~~ \$75.00 per dependent other than spouse per month, and all actual expenses for tuition, course fees, and book and materials costs for the academic year. Standard living expenses budgets shall be based upon 9 months living expenses of ~~\$4,425~~ \$4,735 for single veterans or upon 9 months living expenses of ~~\$6,789~~ \$7,264 for married veterans, per academic year.

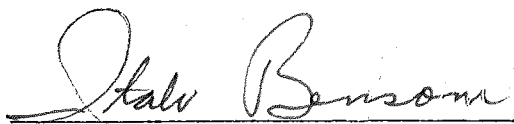
WORD CHANGES

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1. Wherever the term "veteran's" appears in the following section of the
Wisconsin Administrative Code, substitute the term "applicant's": VA 4.01(11). 2 3
2. Wherever the term "direct home loan" appears in the following section of
the Wisconsin Administrative Code, substitute the term "housing loan":
VA 4.01(24). 4 5 6
3. Wherever the term "settler" appears in the following section of the Wisconsin
Administrative Code, substitute the term "settlor": VA 4.05(1)(b). 7 8
4. Wherever the term "amortizaion" appears in the following section of the
Wisconsin Administrative Code, substitute the term "amortization": VA 4.03(11). 9 10

The rules, amendments, repeals and recreations and repeals contained herein shall
take effect pursuant to s. 227.026(1), (intro.) Wis. Stats.

Dated at Madison, Wisconsin the 21st
day of September, 1979.



Italo Bensoni, Chairman (SEAL)
Board of Veterans Affairs
State of Wisconsin,
Department of Veterans Affairs