

CHAPTER 220, Laws of 1979

AN ACT to repeal 45.745 (1) (b) and (5) (b); to renumber and amend 45.745 (1) (a) and (5) (a); to amend 45.74 (1) to (5), 45.76 (1) (a) 1 and (c) and 45.77; and to create 45.76 (1) (d) of the statutes, relating to limitations on veterans' housing loans.

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

SECTION 1. 45.74 (1) to (5) of the statutes are amended to read:

45.74 (1) ANNUAL INCOME LIMITATION. The annual income of the person or both the person and the person's spouse exceeds ~~\$22,000~~ \$25,000.

(2) ABILITY TO PAY. ~~He~~ The person will be incurring an excessive indebtedness in view of ~~his~~ the person's income;

(3) NEED. ~~He~~ The person does not require a loan in addition to ~~his~~ the person's own funds;

(4) ASSETS. After making ~~his~~ the person's total contemplated investment toward a purpose specified in s. 45.76 ~~his~~ the person's funds will exceed \$1,000 plus ~~his~~ the person's anticipated annual shelter cost payments;

(5) (title) COST OF HOUSING OR LOAN. ~~Either the~~ The total cost of the housing accommodation including garage, but excluding land and other nonhousing improvements thereon, exceeds 2 times the person's annual income or the total cost of the housing accommodation, including garage, land and other nonhousing improvements thereon exceeds 2.5 times the person's annual income or the amount of the loan applied for under s. 45.79 exceeds 2.5 times the person's annual income, whichever the person elects. In the case of an improvement loan, the total cost of the housing accommodation and garage means the original cost plus improvements less normal depreciation. ~~However, the total cost of the housing accommodation including garage, land and other nonhousing improvements thereon shall not exceed \$52,500 after July 9, 1978 and \$55,000 after July 1, 1978.~~

SECTION 2. 45.745 (1) (a) of the statutes is renumbered 45.745 (1) and amended to read:

45.745 (1) ANNUAL INCOME LIMITATION. The annual income of the person or both the person and the person's spouse does not exceed 125% of the amount specified under s. 45.74 (1) ~~(a)~~; and.

SECTION 3. 45.745 (1) (b) of the statutes is repealed.

SECTION 4. 45.745 (5) (a) of the statutes is renumbered 45.745 (5) and amended to read:

45.745 (5) (title) COST OF HOUSING OR LOAN. If the net cost of the housing accommodation including garage, but excluding land and other nonhousing improvements on the property after deducting the federal grant does not exceed 2 times the person's annual income, or if the net cost of the housing accommodation including garage, land and other nonhousing improvements on the property after deducting the federal grant does not exceed 2.5 times the person's annual income, or if the amount of the loan applied for under s. 45.79 after deducting the federal grant does not exceed 2.5 times the person's annual income, whichever the person elects.

SECTION 5. 45.745 (5) (b) of the statutes is repealed.

SECTION 6. 45.76 (1) (a) 1 and (c) of the statutes are amended to read:

45.76 (1) (a) 1. A mobile home or real property on which a mobile home is to be situated, but only if the veteran has available and applies on the total cost of the property, an amount equivalent to at least ~~20%~~ 15% of the total cost. This subdivision does not apply to a person who qualifies under s. 45.745.

(c) (title) *Refinancing to avoid loss of home.* Refinancing existing housing related indebtedness of and encumbrances against the home of a veteran who is in danger of losing his or her home through legal action.

SECTION 7. 45.76 (1) (d) of the statutes is created to read:

45.76 (1) (d) *Other refinancing.* Refinancing the balance due on an indebtedness which was incurred for a use designated in pars. (a) to (c) if the balance owing on the indebtedness does not exceed the amount requested in a prior loan application from the veteran and if the indebtedness was incurred by the veteran after a prior loan application from the veteran was denied by the department. Refinancing loans may be made under this paragraph only if the board reverses the department's denial after determining that the prior application met requirements in effect on the date of the denial and that the loan application should have been approved.

SECTION 8. 45.77 of the statutes is amended to read:

45.77 Veteran's contribution. No loan may be made under this subchapter unless, in addition to the closing costs as the veteran may be required to pay, the veteran has available, and applies on the total cost of the property for which the loan is made, an amount equivalent to at least 5% of the total cost. The amount may consist of money or other assets, including equity in real property. If the loan is to be made for purchase, ~~refinancing existing indebtedness~~ or construction, as these terms are used in s. 45.76, the amount may not exceed 20% of the total cost. ~~If the loan is to be made for refinancing existing indebtedness the amount shall be computed by subtracting the amount of the housing indebtedness to be refinanced from the current equalized assessed value or the appraised value of the property on which the loan is to be made.~~ This section does not apply to a person who qualifies under s. 45.745.
