

DEPARTMENT OF VETERANS AFFAIRS

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Chapter VA 3

ECONOMIC ASSISTANCE LOANS

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**Note:** Chapter VA 3 as it existed on December 31, 1979 was repealed and a new chapter VA 3 was created effective January 1, 1980.

**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 s. 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 s. 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. 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 "National 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.

**History:** Cr. Register, December, 1979, No. 288, eff. 1-1-80.

**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