

1987 Assembly Bill 663

Date of enactment: **April 20, 1988**
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1987 Wisconsin Act 319

AN ACT *to repeal 45.74 (4) and 45.745 (4); to renumber and amend 45.74 (6m) and 45.745 (6); to amend 45.77; and to create 45.74 (6m) (b), 45.745 (6) (b), 45.79 (12) and 45.80 (2) (f) of the statutes, relating to eligibility requirements for primary and secondary mortgage loans under the veterans housing loan program.*

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

SECTION 1. 45.74 (4) of the statutes is repealed.

SECTION 2. 45.74 (6m) of the statutes, as created by 1987 Wisconsin Act 27, is renumbered 45.74 (6m) (intro.) and amended to read:

45.74 (6m) PREVIOUS LOANS. (intro.) The person has a previous loan outstanding under this subchapter, unless the any of the following apply:

(a) The person is applying for a loan under s. 45.80, for a purpose specified under s. 45.76 (2), and the previous loan was made under s. 45.79.

SECTION 3. 45.74 (6m) (b) of the statutes is created to read:

45.74 (6m) (b) The previous loan has been assumed by an eligible person with the department's approval upon the sale of the residence securing the previous loan.

SECTION 4. 45.745 (4) of the statutes is repealed.

SECTION 5. 45.745 (6) of the statutes, as created by 1987 Wisconsin Act 27, is renumbered 45.745 (6) (intro.) and amended to read:

45.745 (6) PREVIOUS LOANS. (intro.) If the person has a previous loan outstanding under this subchapter, ~~the~~ any of the following apply:

(a) The person is applying for a loan under s. 45.80, for a purpose specified under s. 45.76 (2), and the previous loan was made under s. 45.79.

SECTION 6. 45.745 (6) (b) of the statutes is created to read:

45.745 (6) (b) The previous loan has been assumed by an eligible person with the department's approval upon the sale of the residence securing the previous loan.

SECTION 7. 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 that 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 or construction, as these terms are used in s. 45.76, the amount may not exceed 20% of the total cost.~~ This section does not apply to a person who qualifies under s. 45.745.

SECTION 8. 45.79 (12) of the statutes is created to read:

45.79 (12) PRIOR PROGRAM LOANS. Subject to this section and ss. 45.73 to 45.77, neither the department nor an authorized lender may deny a person a loan under this section because of the reason the person sold any property previously mortgaged by the person to the department or an authorized lender, if the person completely paid the balance of any previous loan under this subchapter in accordance with the terms and conditions of the promissory note and the mortgage or other agreement executed in connection with the previous loan.

SECTION 9. 45.80 (2) (f) of the statutes is created to read:

45.80 (2) (f) *Assets.* 1. After making the person's total contemplated investment toward a purpose specified in s. 45.76 (1) (c) or (d) or (2) the person's funds will be less than or equal to \$1,000 plus the person's anticipated annual shelter cost payment.

2. After making the person's total contemplated investment toward a purpose specified in s. 45.76 (1) (a) or (b) all of the following apply:

a. The person's funds will be less than or equal to \$1,000 plus the person's anticipated annual shelter cost payments.

b. The amount of the total contemplated investment less closing costs is less than or equal to 20% of the total cost of the property for which the loan is made, except that this subd. 2. b does not apply to a person who qualifies under s. 45.745.