

SENATE BILL NO. 303

INTRODUCED BY E. BUTTREY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA VETERANS' HOME LOAN MORTGAGE PROGRAM ACT; PROVIDING THAT ELIGIBLE VETERANS MAY USE THEIR MINIMUM CONTRIBUTIONS TOWARD PAYING CLOSING COSTS UNDER THE PROGRAM; AMENDING SECTION 90-6-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 90-6-604, MCA, is amended to read:

"90-6-604. Additional terms of program. (1) The maximum amount of a loan made by the board pursuant to this part is 95% of the value of the statewide allowable purchase price determined by the board pursuant to 90-6-605.

(2) The board shall require as a condition for a loan that an eligible veteran participate in a first-time home buyer education program approved by the board.

(3) A loan made by the board must be secured by a government guaranty pursuant to rules adopted by the board unless the board determines pursuant to 90-6-605(2) to allow the use of conventional mortgage insurance requirements and coverage.

(4) An eligible veteran shall participate in a loan by contributing a minimum amount of \$2,500 unless the board determines otherwise pursuant to 90-6-605(2). An eligible veteran may use the minimum contribution toward paying closing costs and may borrow from the veterans' home loan mortgage program the maximum loan amount allowed by the mortgage insurer for the loan.

(5) There is no limit on the maximum amount of income that may be earned by an eligible veteran for the purposes of a loan pursuant to this part.

(6) In order to allow small financial institutions to participate equitably in the program along with large financial institutions, the board shall adopt rules pursuant to 90-6-605 to specify the maximum amount of mortgage loans that may be made by any one participating financial institution.

(7) The legislative auditor must be allowed access to all documentation used for the purpose of the program.

1 (8) A report describing at least the operation and use of the program must be made by the board to the
2 legislature as provided in 5-11-210. The report may be combined with other reports by the board or the
3 department of commerce to the legislature."

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5 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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7 NEW SECTION. **Section 3. Applicability.** [This act] applies to loans made under the Montana
8 Veterans' Home Loan Mortgage Program Act on or after [the effective date of this act].

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