

- SUBJECT:** Increasing land tracts and loan amount under the Veterans Land Fund
- COMMITTEE:** Land and Resource Management — committee substitute recommended
- VOTE:** 8 ayes — Walker, Crabb, Bosse, F. Brown, Hardcastle, Howard, Krusee, B. Turner
0 nays
1 absent — Mowery
- WITNESSES:** For — Glen Gardener, Texas Coalition Veterans Organization
Against — None
On — David Dewhurst, General Land Office and Veterans Land Board
- BACKGROUND:** The Veterans Land Board (VLB) operates financial assistance programs that sell land or make home-mortgage loans to veterans. To this end, the board manages the Veterans Land Fund, the Veterans Housing Assistance Program, and the Veterans Financial Assistance Program. Currently, no veteran may buy more than one tract of land under the program. The maximum principal amount of a home mortgage loan from the Veterans Housing Assistance Fund is \$45,000.
- DIGEST:** CSHB 2040 would amend the Natural Resources Code to allow the Veterans Land Board to create rules governing the number of land tracts a veteran may buy under the Veterans Land Fund. The one-tract limit would be repealed.
- The bill also would allow the VLB to set the maximum loan amount under the Veterans Housing Assistance Program at an amount not to exceed the maximum loaned for home mortgages by the U.S. Department of Veterans Affairs. The VLB could adopt rules to determine the number of loans that a veteran could receive under the housing assistance program. The \$45,000-loan limit would be repealed.
- CSHB 2040 would take immediate effect if finally approved by a two-thirds record vote of the membership of each house.

**SUPPORTERS
SAY:**

CSHB 2040 would benefit Texas veterans in their purchase of homes. In the current market, it is virtually impossible to buy a home for \$45,000 or less. To get around the current loan limit, many Texas veterans negotiate two notes of \$45,000 each to meet their home-purchase costs. Partially because of these limits, only about 9 percent of Texas veterans use the Veterans Housing Assistance Program when they buy homes. Veterans who do use the program often supplement these home mortgage notes with federal loans from the Veterans Administration.

HB 2040 would make it possible for veterans to arrange for home mortgage loans from one source at an amount that would help them afford reasonably priced homes. More veterans would use the state program rather than relying on other financing sources.

HB 2040 also would authorize the VLB to make rules allowing a veteran to buy more than one tract of land. Upon full payment of obligations arising from the purchase of the first tract under the Veterans Land Fund, a qualifying veteran could buy another tract with assistance from the fund. This arrangement would reward financially responsible veterans who have met their loan obligations.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute made nonsubstantive changes to the original bill.

The companion bill, SB 1509 by Truan, passed the Senate by 30-0 on April 15 and was reported favorably, without amendment, by the House Land and Resource Management Committee on April 21, making it eligible to be considered in lieu of HB 2040.