

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 261

By Senators Weld and Smith

[Introduced January 11, 2024; referred
to the Committee on Military; and then to the
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §31-18F-1, §31-18F-2, §31-18F-3, §31-18F-4, §31-18F-5, and §31-18F-6; and
 3 to amend and reenact §36-8-13 of said code, all relating generally to creating the West
 4 Virginia Veterans' Home Loan Mortgage Program of 2024; establishing a fund known as
 5 the West Virginia Veterans' Home Loan Mortgage Fund; declaring the purpose of the fund;
 6 providing that the West Virginia Housing Development Fund shall administer the fund;
 7 setting forth terms of the program; authorizing the West Virginia Housing Development
 8 Fund to make certain mortgage loans from the fund; and authorizing the unclaimed
 9 property administrator to transfer a certain amount from the Unclaimed Property Trust
 10 Fund to the fund.

Be it enacted by the Legislature of West Virginia:

CHAPTER 31. CORPORATIONS.

ARTICLE 18F. THE WEST VIRGINIA VETERANS' HOME LOAN MORTGAGE

PROGRAM OF 2024.

§31-18F-1. Short title.

1 This article shall be known as the West Virginia Veterans' Home Loan Mortgage Program
 2 Act of 2024.

§31-18F-2. Definitions.

1 As used in this section, the following definitions apply:

2 (1) "Eligible veteran" means an individual who is a West Virginia resident and who:

3 (a) Is a member of the West Virginia National Guard;

4 (b) Is a member of the federal reserve forces of the armed forces of the United States,
 5 serving pursuant to Title 10 of the United States Code;

6 (c) Is serving on federal active duty pursuant to Title 10 of the United States Code;

7 (d) Is an unremarried spouse of an individual who was otherwise an eligible veteran and

8 was killed in the line of duty;

9 (e) Is a child of an individual who was otherwise an eligible veteran and was killed in the
10 line of duty;

11 (f) Is an eligible veteran as defined by rule promulgated by the West Virginia Housing
12 Development Fund; or

13 (g) Was previously a member of the armed forces pursuant to subdivisions (a), (b), or (c)
14 and was discharged under honorable conditions.

15 (h) An individual who meets the requirements of paragraph (a), (b), (c), (f), or (g) of this
16 subdivision 2 of this article, and who is establishing their primary residence in West Virginia, and is
17 purchasing a home in this state for the first time.

18 (2) "First-time home buyer" means an individual determined by the fund to be a first-time
19 home buyer pursuant to rules adopted by the fund.

20 (3) "Fund" means the West Virginia Veterans' Home Loan Mortgage Fund.

21 (4) "Mortgage loan" means a loan for the purchase of real property with any improvements
22 located within this state that is to be used for primary residential purposes by the eligible veteran
23 and that is based upon a written instrument approved by a federal agency, and that is secured by a
24 deed of trust.

25 (5) "Participating financial institution" means a corporate lender or other loan originator
26 approved by the West Virginia Housing Development Fund for originating loans pursuant to this
27 article.

28 (6) "Resident" means an individual who maintains, or will maintain after receiving a
29 mortgage loan, a primary residence within West Virginia, and who has not established a residence
30 elsewhere even though the individual may be temporarily absent from the state.

31 (7) "Under honorable conditions" means a discharge or separation from military duty
32 characterized by the armed forces as under honorable conditions. The term includes honorable
33 discharge and general discharge. The term does not include a dishonorable discharge, or another

34 administrative discharge characterized by military regulation as other than honorable.

35 (8) "Veterans' home loan mortgage program" or "program" means the program created in
36 §31-18F-1 et seq. of this code.

§31-18F-3. Veterans' Home Loan Mortgage Program created.

1 (a) There is hereby created by this article, the West Virginia Veterans' Home Loan
2 Mortgage Program of 2024 under the direction and management of the West Virginia Housing
3 Development Fund for eligible veterans who are first-time home buyers.

4 (b) The West Virginia Housing Development Fund is authorized to purchase mortgage
5 loans from participating financial institutions pursuant to this article or through direct origination.

§31-18F-4. Terms of program.

1 (a) Interest on a home mortgage loan made pursuant to this section must be charged at 1
2 percent less than the federal national mortgage association's delivery rate or 1 percent lower than
3 the West Virginia Housing Development Fund's Homeownership Program, whichever is less. If the
4 federal national mortgage association's rate becomes unavailable, the West Virginia Housing
5 Development Fund shall use another similar rate for the purposes of this section.

6 (b) The maximum amount of a loan made by the West Virginia Housing Development Fund
7 pursuant to this article is 100 percent of the value of the statewide allowable purchase price
8 determined by the West Virginia Housing Development Fund.

9 (c) The West Virginia Housing Development Fund shall require as a condition for a loan,
10 that an eligible veteran participate in a first-time home buyer education program approved by the
11 West Virginia Housing Development Fund.

12 (d) A loan made by the West Virginia Housing Development Fund must be secured by a
13 government guaranty unless the West Virginia Housing Development Fund determines to allow
14 the use of conventional mortgage insurance requirements and coverage.

15 (e) An eligible veteran shall participate in a loan by contributing a minimum amount of
16 \$2,500 unless the West Virginia Housing Development Fund determines otherwise. An eligible

17 veteran may use the minimum contribution toward paying closing costs and may borrow from the
18 Veterans' Home Loan Mortgage Program the maximum loan amount allowed by the mortgage
19 insurer for the loan.

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

22 (g) In order to allow small financial institutions to participate equitably in the program along
23 with large financial institutions, the West Virginia Housing Development Fund may adopt rules to
24 specify the maximum amount of mortgage loans that may be made by any one participating
25 financial institution.

26 (h) The Legislative Auditor shall have access to all documentation used for the purpose of
27 the program.

28 (i) The West Virginia Housing Development Fund shall annually submit to the Joint
29 Committee on Government and Finance a report describing, at a minimum, the operation and use
30 of this program. This report shall be due no later than December 1 of each year and may be
31 combined with other reports submitted by the West Virginia Housing Development Fund to the
32 Legislature.

§31-18F-5. West Virginia Veterans' Home Loan Mortgage Fund.

1 (a) The board of directors of the West Virginia Housing Development Fund may create and
2 establish the West Virginia Veterans' Home Loan Mortgage Fund to make moneys available to the
3 West Virginia Housing Development Fund for loans that qualify pursuant to this article.

4 (b) The West Virginia Housing Development Fund shall administer the West Virginia
5 Veterans' Home Loan Mortgage Fund and service the mortgage loans under the program.

6 (c) The West Virginia Housing Development Fund shall receive all moneys transferred to
7 the Fund pursuant to §36-8-13(f) of this code, any other moneys to be deposited into the fund, and
8 any repayments and interest paid to the fund.

9 (d) As a loan pursuant to this article is repaid, the principal payments on the loan must be

10 redeposited in the fund until all the principal of the loan is repaid. In the event of foreclosure, the
 11 proceeds from the sale of the foreclosed property must be deposited to the fund. The fund may be
 12 used to cover the initial purchase of the mortgage loans from participating lenders as well as
 13 amounts determined by the West Virginia Housing Development Fund, to pay for the origination
 14 and servicing release fees of a loan by a participating financial institution and to cover the holding
 15 costs of any foreclosed properties. Interest received on the loans may be used by the West
 16 Virginia Housing Development Fund to pay the reasonable costs for the administration of the
 17 program and servicing of the loans. Remaining interest received on the loan must be deposited
 18 into the fund.

19 (e) Following the initial origination of loans, loan repayments and any interest earnings of
 20 the fund may be used by the West Virginia Housing Development Fund to originate additional
 21 program loans or to assist in the development of affordable housing units for the benefit of
 22 veterans.

23 (f) The West Virginia Housing Development Fund may invest and reinvest all moneys in
 24 the Veterans' Home Loan Mortgage Fund in any investments authorized under W. Va. Code § 31-
 25 18-6, pending the disbursement thereof in connection with the Veterans' Home Loan Mortgage
 26 Fund.

27 (g) The West Virginia Housing Development Fund will operate the Veterans' Home Loan
 28 Mortgage Fund in accordance with customary practices of mortgage lending and loan servicing,
 29 including originating loans through qualified lending institutions, industry standard underwriting,
 30 minimum down payments, house purchase prices, mortgage lien position, loan origination, and
 31 loan servicing fees like the West Virginia Housing Development Fund Homeownership Program or
 32 similar _____ program.

§31-18F-6. Rules to be adopted by Fund.

1 (a) The Fund shall promulgate rules, including emergency rules, if necessary, in
 2 accordance with §29A-3-1 et seq. of this code, including rules:

3 (1) Specifying which financial institutions may be participating financial institutions;

4 (2) Specifying underwriting criteria for a program loan, such as minimum down payment,
5 credit score, ratios of housing expense and of all reoccurring debt as a percentage of income of
6 the borrower, and any exceptions to those criteria;

7 (3) Specifying the statewide allowable purchase price of a home for the purposes of the
8 program;

9 (4) Specifying the security required for a mortgage loan financed by the program;

10 (5) Providing the legislative auditor with access to records of participating financial
11 institutions regarding loans made pursuant to this program;

12 (6) Governing the loan application process;

13 (7) Specifying the maximum origination fee that may be charged by a participating financial
14 institution; and

15 (8) Specifying the maximum servicing fees that may be charged by the Fund; and

16 (9) Other loan conditions determined to be necessary by the Fund.

17 (b) The Fund may also promulgate rules, including emergency rules, if necessary,
18 changing any of the following provisions if the Fund determines a change is necessary in order to
19 carry out the purposes of the program:

20 (1) The definition of eligible veteran;

21 (2) The security for a loan provided pursuant to this program; and

22 (3) The requirements for minimum participation for the eligible veteran.

CHAPTER 36. ESTATES AND PROPERTY.

ARTICLE 8. UNIFORM UNCLAIMED PROPERTY ACT.
§36-8-13. Deposit of funds.

1 (a) The administrator shall record the name and last known address of each person
2 appearing from the holders reports to be entitled to the property, and the name and last known

3 address of each insured person or annuitant and beneficiary and with respect to each policy or
4 annuity listed in the report of an insurance company, its number, the name of the company, and the
5 amount due.

6 (b) The Unclaimed Property Fund is continued. The administrator shall deposit all funds
7 received pursuant to this article in the Unclaimed Property Fund, including the proceeds from the
8 sale of abandoned property under §36-8-12 of this code. The administrator may invest the
9 Unclaimed Property Fund with the West Virginia Board of Treasury Investments, or the Investment
10 Management Board, and all earnings shall accrue to the fund and are available for expenditure in
11 accordance with the article. In addition to paying claims of unclaimed property duly allowed, the
12 administrator may deduct the following expenses from the Unclaimed Property Fund:

13 (1) Expenses of the sale of abandoned property;

14 (2) Expenses incurred in returning the property to owners, including without limitation the
15 costs of mailing and publication to locate owners;

16 (3) Reasonable service charge; and

17 (4) Expenses incurred in examining records of holders of property and in collecting the
18 property from those holders.

19 (c) The Unclaimed Property Trust Fund is continued within the State Treasury. The
20 administrator may invest the Unclaimed Property Trust Fund with the West Virginia Board of
21 Treasury Investments and all earnings shall accrue to the fund and are available for expenditure in
22 accordance with this article. After deducting the expenses specified in subsection (b) of this
23 section and maintaining a sum of money from which to pay claims duly allowed, the administrator
24 shall transfer the remaining moneys in the Unclaimed Property Fund to the Unclaimed Property
25 Trust Fund.

26 (d) On or before December 15 of each year, notwithstanding any provision of this code to
27 the contrary, the administrator may transfer the sum of \$1 million from the Unclaimed Property
28 Trust Fund to the Jumpstart Savings Trust Fund, until an actuary certifies there are sufficient funds

29 to satisfy all obligations and administrative expenses of the Jumpstart Savings Program.

30 (e) Subject to cash availability, on or before July 15, 2024, the unclaimed property
31 administrator may transfer up to \$8 million from the Unclaimed Property Trust Fund to the West
32 Virginia Veterans' Home Loan Mortgage Fund, as provided in §31-18F-5 of this code.

33 ~~(e)(f)~~ After transferring any money required by subsections (d), ~~and (e)~~, and (f) of this
34 section, the administrator shall transfer moneys remaining in the Unclaimed Property Trust Fund
35 to the General Revenue Fund.

NOTE: The purpose of this bill is to create the West Virginia Veterans' Home Loan Mortgage Program of 2024.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.