

Assembly Bill No. 1382

CHAPTER 236

An act to amend Section 987.65 of the Military and Veterans Code, relating to veterans.

[Approved by Governor July 31, 1995. Filed with
Secretary of State August 1, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1382, Frusetta. Veterans home and farm purchase.

Existing law, the Veterans' Home Purchase Act of 1974, authorizes the Department of Veterans Affairs to purchase homes or farms for sale to veterans and to finance the purchase by the veteran. Existing law requires the department to annually set the purchase price of a home, contract of construction, or mobilehome site, at an amount not to exceed \$170,000 or 90% of the county median purchase price, whichever is higher.

This bill would delete this maximum and would, instead, set the maximum purchase price at \$250,000.

Existing law sets the purchase price of a mobilehome to be sited in a mobilehome park at an amount not to exceed \$70,000 or 90% of the median purchase price of those mobilehomes, whichever is higher.

This bill would delete the provision authorizing the maximum price to be 90% of the median. The bill would, instead, set the maximum purchase price for a mobilehome to be sited on a mobilehome park at \$70,000 in addition to any assistance provided to the veteran relating to the purchase of a site in conjunction with converting a rental park into a nonprofit corporate resident-owned park, subdivision, cooperative, or condominium for mobilehomes, and would delete the \$70,000 maximum applicable under existing law to this additional site conversion assistance.

Existing law sets the purchase price of a farm, at an amount not to exceed \$200,000 or 160% of the county median purchase price of a home.

This bill would delete this maximum and would, instead, set the maximum purchase price for a farm at \$300,000.

This bill would apply these increased benefits only to applications filed after January 1, 1996.

Existing law requires that during any calendar year at least $\frac{1}{3}$ of the proceeds available for contracts of purchase be set aside for use by veteran purchasers who are either first-time home buyers or who are purchasers of homes at or below the statewide median purchase price, unless there are not sufficient applicants in these categories.

This bill would delete this requirement.

Existing law requires the department to consider the solvency of the Veterans' Farm and Home Building Fund of 1943 when determining the maximum home loan.

This bill would delete this requirement.

Existing law provides that any change in the maximum home loan shall take effect only after approval of the Veterans' Finance Committee of 1943.

This bill would delete this requirement.

The people of the State of California do enact as follows:

SECTION 1. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. (a) The purchase price of a home to the department, or the sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements, or the purchase price of a mobilehome sited on a lot owned by the purchaser and installed on a foundation system pursuant to Section 18551 of the Health and Safety Code, shall not exceed two hundred fifty thousand dollars (\$250,000).

(b) The purchase price of a mobilehome that is to be sited in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, in addition to any assistance provided by the department to a veteran pursuant to subdivision (e) of Section 987.85, shall not exceed seventy thousand dollars (\$70,000).

(c) A veteran purchasing the home may advance, subject to Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required, under Section 987.69, to add to the purchase price of the home in fixing the selling price to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds.

(d) The purchase price of a farm to the department shall not exceed three hundred thousand dollars (\$300,000). A veteran purchasing the farm may advance the difference between the total price of the farm, or the cost of the dwelling and improvements to be constructed on a farm under a contract, and the sum of the purchase price to the department or contract price to the department and any amount which the department is required, under Section 987.69, to add to the purchase or contract price to the department in fixing the selling price of the farm to the veteran.

SEC. 2. The increased farm and home purchase benefits enacted by this act are applicable only in the case of applications for benefits



under the Veteran's Farm and Home Purchase Act of 1974 filed with the Department of Veterans Affairs on or after January 1, 1996.

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