

# **WEST VIRGINIA LEGISLATURE**

**2023 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 616**

BY SENATORS WELD AND DEEDS

[Originating in the Committee on Military; reported on

February 21, 2023]



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 2023; establishing a fund known as  
5 the West Virginia Veterans' Home Loan Mortgage Fund; declaring the purpose of the fund;  
6 providing that the Housing Development Fund shall administer the fund; setting forth terms  
7 of the program; authorizing the Housing Development Fund to make certain mortgage  
8 loans from the fund; and authorizing the unclaimed property administrator to transfer a  
9 certain amount from the Unclaimed Property Trust 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 2023.**

#### **§31-18F-1. Short title.**

1 This article shall be known as the West Virginia Veterans' Home Loan Mortgage Program  
2 Act of 2023.

#### **§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  
17 is 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  
24 a 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 2023 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  
4 the 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  
7 Fund 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  
2 and establish the West Virginia Veterans' Home Loan Mortgage Fund to make moneys available  
3 to the 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,  
8 and 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 of the principal of the loan is repaid. In the event of foreclosure,

11 the proceeds from the sale of the foreclosed property must be deposited to the fund. The fund  
12 may be used to cover the initial purchase of the mortgage loans from participating lenders as well  
13 as amounts determined by the West Virginia Housing Development Fund, to pay for the  
14 origination and servicing release fees of a loan by a participating financial institution and to cover  
15 the holding costs of any foreclosed properties. Interest received on the loans may be used by the  
16 West Virginia Housing Development Fund to pay the reasonable costs for the administration of  
17 the program and servicing of the loans. Remaining interest received on the loan must be  
18 deposited 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 §  
25 31-18-6, 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 similar to the West Virginia Housing Development Fund Homeownership  
32 Program or similar program.

## **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  
5 the 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  
10 Investment Management Board, and all earnings shall accrue to the fund and are available for  
11 expenditure in accordance with the article. In addition to paying claims of unclaimed property duly  
12 allowed, the 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  
22 in 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  
29 funds to satisfy all obligations and administrative expenses of the Jumpstart Savings Program.

30 (e) Subject to a liquidity determination and cash availability, effective July 1, 2022, the  
31 unclaimed property administrator may transfer an amount in any fiscal year from the Unclaimed  
32 Property Trust Fund to the Military Authority Reimbursable Expenditure Fund: *Provided*, That the  
33 aggregate amount that may be transferred under this subsection may not exceed \$10 million.

34 (f) Subject to cash availability, on or before July 15, 2023, the unclaimed property  
35 administrator may transfer up to \$8 million from the Unclaimed Property Trust Fund to the West  
36 Virginia Veterans' Home Loan Mortgage Fund, as provided in §31-18F-5 of this code.

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