MISSISSIPPI LEGISLATURE REGULAR SESSION 2009

By: Representatives Calhoun, Gardner

To: Military Affairs

HOUSE BILL NO. 821

AN ACT TO AMEND SECTION 35-7-25, MISSISSIPPI CODE OF 1972, TO REDUCE FROM FOUR PERCENT TO TWO AND ONE-HALF PERCENT THE LOWEST ALLOWABLE INTEREST RATE ON HOME LOANS MADE BY THE VETERANS' HOME PURCHASE BOARD; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 35-7-25, Mississippi Code of 1972, is amended as follows:

35-7-25. (1) When a veteran has been authorized by the board to select the home he desires, he shall submit his selection in such form as may be prescribed by the board. If the board is satisfied of the desirability of the property submitted and if such veteran has agreed with the board to actually reside upon such property within sixty (60) days from the date of purchase by the board, and if the price of said property to the board does not exceed the maximum provided in Section 35-7-17, then the board shall be empowered to purchase said property from the owner thereof, including the veteran under the provisions of Section 35-7-17(1), upon such terms as may be by them agreed upon. The board, in its discretion, is authorized to enter into a contract with the veteran for the sale and to consummate the sale of said property to said veteran. The board shall fix the selling price of such property by adding to the purchase price of said property or to the value of said property as determined by the board when such property is acquired by the board in a manner other than by purchase, as in foreclosure or repossession, all expenses incurred and estimated to be incurred by the board in relation thereto, inclusive of interest, administration, appraisals, examination of title, incidental expenses and such sum as shall be deemed

necessary to meet unforeseen contingencies. The purchaser shall make an initial payment of at least twenty percent (20%) of the selling price of the property; however, the board may reduce or waive said initial payment for any veteran provided the loan contract is underwritten or guaranteed by the Veterans' Administration in accordance with the terms of the Servicemen's Readjustment Act of 1944, as amended. The balance of said selling price may be amortized over a period to be fixed by the board, but not exceeding thirty (30) years, together with interest thereon at a rate which shall be fixed by the board, which shall in no case be less than <u>two and one-half percent (2-1/2%)</u> per annum, and which shall in no case be higher than the rate of interest authorized and permitted by the Veterans' Administration for loans guaranteed under the provisions of Title III of the Servicemen's Readjustment Act of 1944, as amended. The purchaser shall have the right at any time to pay any or all installments still remaining unpaid. In any individual case, the board may for good cause postpone from time to time, upon such terms as the board may deem proper, the payment of the whole or any part of any installment of the selling price or interest thereon. The board is empowered in each individual case to specify the terms of the contract entered into with the purchaser, not contrary to the provisions of this chapter.

(2) Before the purchase of any property by the board, there must be filed with said board an appraisement of the fair and reasonable value of such property by a qualified appraiser. Each appraisement shall state, among other things, that it is made in good faith and that the valuation is honestly determined and represents the bona fide opinion of the maker.

(3) The board, before consummating the purchase under the provisions of this section, shall be satisfied that title to the property sought to be purchased is good.

SECTION 2. This act shall take effect and be in force from and after July 1, 2009.

ST: Veterans' Home Purchase Board; revise lowest interest rate on loans.