

## **BILL ANALYSIS**

H.B. 1416  
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Def. Affairs & St-Fed Rel  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, the Veteran's Land Board (VLB) finances land loans for veterans under a contract for deed method or a mortgage loan. It is authorized to sell its contract-for-deed loans, but there is no language authorizing the sale of its land mortgage loans.

HB 1416 allows the VLB to sell its land mortgage loans and deposit the net proceeds into the Land Fund.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

HB 1416 amends the Natural Resources Code by adding Sections 161.514 and 161.515 to authorize the sell of land mortgage loans and the deposit of net proceeds into the Land Fund, and states that a loan made under this chapter that is combined with a housing assistance loan made under Chapter 162 or a home mortgage loan made under Chapter 164 may be sold under this section or under Chapter 162 or 164, as applicable. In making rules and administering this subchapter, the board may not impose on or grant a loan recipient or a transferee under Section 161.511 a right, benefit, condition, or obligation that may impair the board's ability to sell the loan or the market value of the loan made under this subchapter. Further, it amends Section 161.510, Natural Resources Code, to allow for the combination of a loan made under this subchapter with a housing assistance loan made under Chapter 162 or in accordance with board rules, a home mortgage loan made under Chapter 164, Natural Resources Code.

### **EFFECTIVE DATE**

September 1, 2007.