

By: Van de Putte

S.B. No. 686

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Veterans' Land Board to sell certain loans issued by the Veterans' Land Board.

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

SECTION 1. Subchapter K, Chapter 161, Natural Resources Code, is amended by adding Sections 161.514 and 161.515 to read as follows:

Sec. 161.514. SALE OF LOANS. (a) The board may sell at public or private sale, with or without public bidding, any or all of the loans made under this subchapter. Proceeds from the sale shall be deposited in the fund and otherwise applied in the manner provided by this chapter, except that at the direction of the board the sale proceeds may be used by the board, together with other available money, to discharge, pay, or redeem, wholly or partly, outstanding bonds issued by the board under this chapter.

(b) 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.

Sec. 161.515. CERTAIN RIGHTS, BENEFITS, CONDITIONS, AND OBLIGATIONS PROHIBITED. 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, in any way, may impair:

1           (1) the ability of the board to sell a loan made under  
2 this subchapter; or

3           (2) the market value of a loan made under this  
4 subchapter.

5           SECTION 2. Section 161.510, Natural Resources Code, is  
6 amended to read as follows:

7           Sec. 161.510. COMBINATION WITH CERTAIN HOME LOANS  
8 [~~LOAN~~]. The board may:

9           (1) permit a person to combine a loan made under this  
10 subchapter with:

11           (A) a housing assistance [home] loan made under  
12 Chapter 162 if the portion of the loan made under this subchapter is  
13 funded from amounts on deposit in the fund and the portion of the  
14 loan made under Chapter 162 is not funded from amounts in the fund;  
15 or

16           (B) in accordance with board rules, a home  
17 mortgage loan made under Chapter 164; and

18           (2) prescribe the amounts of and forms for a combined  
19 loan under this section.

20           SECTION 3. This Act takes effect September 1, 2007.