

Chapter VA 3

ECONOMIC ASSISTANCE LOANS

VA 3.01	Definitions	VA 3.04	Security required
VA 3.02	General	VA 3.05	Educational loans
VA 3.03	General loan policy		

Note: Chapter VA 3 as it existed on December 31, 1979 was repealed and a new chapter VA 3 was created effective January 1, 1980.

VA 3.01 Definitions. In this chapter the following terms shall have the designated meanings:

(1) "Annual shelter payment" means the total annual payments anticipated for rental of living quarters, or if the applicant is the owner of a homestead, principal and interest payments on all loans against the homestead and real estate taxes and hazard insurance payments on the homestead, and if the homestead is a condominium shall also include the owner's share of expenses for the common elements, and if the homestead is a mobile home located on land not owned by the applicant shall also include monthly mobile home parking fees and if the applicant's homestead has a septic disposal system which relies upon a holding tank, shall also include holding tank pumping fees.

(1m) "Anticipated debt payments" means anticipated monthly payments on debts, debt repayments required to be made on other than a monthly basis converted to monthly payments and 10% of indebtedness on which periodic repayments is not required.

(2) "Applicant" means a veteran who applies for an economic assistance loan under s. 45.351 (2), Stats. The term "applicant" also means the applicant and co-applicant, if there is a co-applicant, unless the context clearly limits the meaning to only the applicant.

(3) "Co-applicant" means any person who is eligible to apply and does apply with an applicant for an economic assistance loan.

(3m) "Income" means current annual adjusted gross income of the applicant as disclosed, verified and evaluated in accordance with the provisions of s. VA 3.03 (5).

(4) "Loan" means an economic assistance loan and "loans" means economic assistance loans.

(5) "Total debt payments" means one-twelfth of an applicant's "annual shelter payment" and the applicant's anticipated debt payments.

(6) "Veteran" or "veteran applicant" means a veteran as defined in s. VA 1.06, who is an "applicant" for a "loan".

History: Cr. Register, December, 1979, No. 288, eff. 1-1-80; cr. (1m and (3m), am. (5), Register, February, 1989, No. 398, eff. 3-1-89.

VA 3.02 General. (1) **OBJECTIVE.** The department may lend to any veteran who qualifies for a loan under the provisions of this chapter and s. 45.351 (2), Stats., an amount not more than the statutory limit from the veterans trust fund to provide economic assistance for the purposes set forth in s. 45.351 (2), Stats., where the veteran's need to provide funds for such economic assistance is established to the satisfaction of the de-

partment and such veteran is unable to meet that need from available resources or credit upon manageable terms.

(2) **RESOURCES.** (a) A veteran's resources shall include, but not be limited to, all cash on hand and liquid assets, and non-liquid assets the conversion of which to cash would not result in a substantial loss, including all resources owned by the veteran and the veteran's spouse, individually or jointly, unless the veteran and spouse are separated or in the process of obtaining a divorce, but shall not include assets excluded as funds by s. VA 4.05 (1) (b) and (c). The applicant may be permitted to retain from the cash and liquid assets portion of such resources an amount up to \$2,500.

(b) Resources shall not include the veteran applicant's homestead.

(c) Resources shall include the applicant's non-homestead real estate where the department determines that the applicant's equity in such real estate would enable the applicant's needs to be met through encumbering such real estate.

History: Cr. Register, December, 1979, No. 288, eff. 1-1-80; am. (2) (b), Register, May, 1982, No. 317, eff. 6-1-82; am. (2), Register, April, 1986, No. 364, eff. 5-1-86; am. (1), Register, February, 1989, No. 398, eff. 3-1-89.

VA 3.03 General loan policy. (1) **ADMINISTRATIVE EXPENSES.** Ordinary expenses incidental to making loans, not including cost of appraisals, title fees, and recording fees, will be borne by the department as administrative expenses.

(3) **AVAILABILITY OF CREDIT UPON MANAGEABLE TERMS.** An applicant shall be considered to have available credit upon manageable terms when the department determines that the applicant's total debt payments will not exceed 25% of current monthly income if the applicant were to retain present financing for debts or obtains financing from a conventional lending institution to provide funds for the purposes set forth in the loan application, unless the veteran applicant is a full-time student, was separated from active military service within the 12 months prior to application, evidences lack of employment and income stability, is 60 or more years of age, or is totally and permanently disabled, or where continuing financial problems resulting from size of family, health of family, low level of income or other unique circumstances indicate that the applicant would be unlikely to find credit available upon manageable terms.

(4) **LOAN APPLICATION.** A loan application, including required exhibits and supplements, shall contain such information as is necessary to satisfy the department that the proceeds of the loan will contribute substantially to the solution of the veteran's economic problems, that orderly repayment of the loan applied for will probably be made and, in the case of a business loan, that the veteran's business enterprise is likely to succeed. Applications for loans by veterans who are married and not separated or in the process of obtaining a divorce shall be completed and signed by the veterans' spouses. Applications shall be prepared with the assistance of and submitted through the office of a county veterans service officer.

(5) **DISCLOSURE, VERIFICATION AND EVALUATION OF INCOME.** All of an applicant's income shall be disclosed and verified. Income from other than the applicant's regular work which the department determines will not last for 5 years may be excluded. If the department is provided with a