

Veterans Voice

"We don't need to do the vets a favor, just repay one." Garry Mauro

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Veterans Land Board

November - December 1984

Federal tax legislation threatens Texas veterans housing, land loan programs

Texas veterans were recently alerted by Texas Land Commissioner Garry Mauro that new federal tax legislation restricting the issuance of tax-exempt bonds threatens the future of both the Texas Veterans Housing Assistance Program and the Texas Veterans Land Program.

Mauro, who serves as chairman of the Veterans Land Board, said the federal Tax Reform Act of 1984 imposed limitations on who can participate in the popular Veterans Housing Assistance Program that effectively denies eligibility to over 1 million Texas veterans.

"This new bill means that Texas veterans of World War II and the Korean War, plus any veteran who enlisted after January 1, 1977, including those who served in Grenada and Beirut, will no longer be eligible for home loans through the Veterans Housing Assistance Program," Mauro said.

Mauro said provisions in the new law will also abolish the 35-year-old Texas Veterans Land Program in early 1987, although previously authorized funding will enable all Texas veterans to continue obtaining loans through the land program until 1990.

"This gives Texas veterans six more years in which to take advantage of this excellent program," Mauro stressed.

Since the beginning of the Veterans Land Program in 1949, more than 85,000 Texans have taken advantage of the \$20,000 low-interest loans that enable veterans to buy 10 acres or more of land. The current interest rate on the 30-year note is 9.25 percent.

Mauro said the program "has never been more popular," setting a record in 1984 with more than 6,000 land loans.

The Texas Veterans Housing Assistance Program - a program that has been called the greatest single veterans benefit program to be enacted by a state since the close of World War II - enables Texas veterans to borrow up to \$20,000 at 9.97 percent interest on a 30-year fixed rate note to use toward the purchase of a home.

"We estimate that the changes in eligibility for the housing program will adversely affect more than 1 million of the state's 1.7 million



During an Austin news conference, Land Commissioner Garry Mauro outlined recent changes in federal tax legislation that threaten benefits for Texas' 1.7 million veterans.

veterans who were previously eligible," said Mike Lopez, deputy commissioner for the Veterans Land Board.

"We've made more than 11,000 VHAP loans in the first ten months of the housing program," Mauro said. "About 30 percent of those loans were made to veterans who would no longer be eligible under the limitations imposed by Congress."

Mauro reassured veterans that the new rules would have "no immediate impact" on either the state's housing or land program.

"Fortunately, we've been able to pinpoint a loophole in the new law that will enable us to postpone some of the disastrous effects of this legislation," Mauro said. "As a result, I anticipate we will have plenty of money left to continue making home loans for at least

another year."

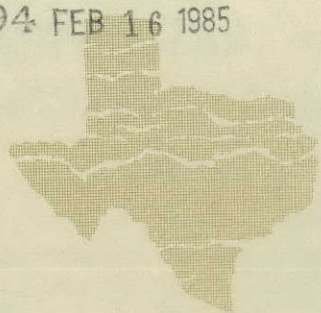
The Veterans Land Board currently has about \$200 million in bond money that has been set aside for those veterans excluded from the housing program.

"I intend to make loans until the money runs out," Mauro said. "No one knows for sure how long that will be, but based on the current loan demand, I estimate we can sidestep the effect of the eligibility requirements until about December, 1985."

"But all this does is buy us a little time for our Texas delegation to amend this bill in Congress," Mauro said.

During the next year, he said, Texas' congressional delegation will work to amend the law and remove the eligibility restrictions.

See "Vets loans at risk" p. 4



"Phone Power" was started by Commissioner Mauro to provide fast, accurate information on the Veterans Land Program and the Veterans Housing Assistance Program.

Seven full-time information coordinators are now answering inquiries between 7:30 a.m. and 6:00 p.m. Monday - Friday on our toll-free 1-800-252-VETS number.


If you have a question on the programs, please don't hesitate to call for assistance.



Lenders who wish to participate in the VHAP should contact The Lomas & Nettleton Company, 2001 Bryan Tower, P. O. Box 225644, Dallas, Tx. 75265, (214) 746-7288, to receive a lender's packet, instructions, and a list of current approved lenders.



Garry Mauro, Chairman
Veterans Land Board



Jack Rains, Member
Veterans Land Board

Mike Lopez, Deputy Commissioner
Veterans Land Board

Richard Keahey, Executive Secretary
Veterans Land Board

Felix Arambula,
Director, Veterans Land Board

Steve Speir,
Public Information Director
Veterans Land Board

Andrea Morgan Editor
Catherine Weiss Photographer
Kelly Houston Photographer
Nanette Soza Editorial Assistant

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Our readers write . . .

Mr. Mauro:

Recently my wife and I had the privilege to meet with Joe Chambers, your field representative in Palestine.

Mr. Chambers met with us to walk the property we are purchasing through the Texas Veterans Land Program. We feel very fortunate to have had Mr. Chambers perform this service. He was informative and professional in every respect.

Being a native of this area, Mr. Chambers was familiar with the land and services available in the Palestine area and was able to answer many questions we had, and provide us with insight concerning the land and our plans for it that we had not previously considered.

He gave generously of his time and expertise to assure we were thoroughly informed regarding the boundaries/markers on the property as well as other requirements related to the purchase.

Conscientious employees are a rare commodity in today's environment. Since Joe is located away from the home office and his professional manner might go unnoticed, I felt it was incumbent upon me to inform you regarding this commendable conduct.

Ira Dewitt
Garland, Texas



Commissioner Mauro:

Please let this serve as fuel to the fire of outrage that I presume—and hope—that many Texas veterans will voice over the actions of the Federal Tax Reform Act of 1984.

I served in World War II as a combat infantry officer, I have the Purple Heart and Oak Leaf Cluster for wounds received two times, and I was a Prisoner of War—who later escaped to the free world.

I have not been able to use the VA federal housing program, although I have owned two homes since post-war days. Finally, I thought I would be able to take advantage of this and/or

the Texas Veterans Housing Program; we had planned to begin building a retirement home in 12 or 14 months, with assistance from these programs.

You were quoted in the 10-24-84 *Houston Chronicle* as saying "... this federal legislation makes a mockery of the debt we owe our veterans, and I urge all Texans to join me in demanding a repeal of this unjust law." I truthfully have never felt that anyone owes me, but I suppose I just assumed I would have the right to use this "little favor" some day. Now, just as we felt the time was here, it is taken away.

Accordingly, I applaud your stance on this. If I can help in any way to get support for a motion of repeal as you have implied, I will get involved. I presume that anything of this nature would require that as many veterans as possible express their concern. It is in this context that I write—and will write again and again—if need be.

Edward J. Fairchild II
Houston, Texas



Veterans Land Board:

I think the Veterans Voice is a great way to help keep the Texas real estate industry aware of how to help veterans and to keep us posted on any new rules and regulations.

Barbara Sue Trammell
Terlingua, Texas



Veterans Voice:

Read the article concerning the many developers now participating in the Veterans Land Program and the fine job everyone is doing.

I'd like to contact some of these people in order to use this program to make a good investment.

I'm a Vietnam veteran, two tours with Bronze Star and several other decorations.

If you could send me a list of the developers participating in the "Fast-Tract" program, I would certainly appreciate it.

W. J. Whitworth
Avinger, Texas

Delinquent tract sale raises \$1.8 million

Sixty-six of the 76 tracts of state land included in the October forfeited land sale conducted by the Veterans Land Board received winning bids totaling \$1,809,474.

Winners were notified after the results of the sale were certified at the October meeting of the Veterans Land Board.

A total of 518 bids were received. Eight tracts received no bids and will be offered again for bids in the future.

"The success of this forfeited land sale is proof that the Veterans Land Board's implementation of an aggressive delinquency program was a sound decision," said Jack Rains, Veterans Land Board member. "In addition to money received through the sale, we have previously collected an additional \$100,225 in past due payments from eighty-nine accounts since we began notifying persons about their delinquent accounts. Those accounts avoided forfeiture and are now current.

"As a result of this aggressive collection policy and this week's forfeiture sale, the Veterans Land Board now has an additional \$1.9 million available for Texas veterans to buy land through the Veterans Land Program," Rains said.

Since the beginning of the Veterans Land Program in 1949, over 85,000 Texas veterans have received long-term, low-interest loans through the program. Fewer than one percent of the loans have become delinquent.

"Our staff made every possible effort to notify people who were delinquent in order to



Pat Patton, left, Ft. Hood Board of Realtors president, Carola Cochran, executive officer for the board, Land Commissioner Garry Mauro, and David Barr, program chairman and vice-president, visit after the board's October meeting in Killeen. Ft. Hood area lenders have made \$4.5 million in loans through the Veterans Housing Assistance Program, and Bell County ranks eighth in the state in VHAP lending activity.

avoid placing their land into this sale," Rains explained. "Anyone whose tract is included in this forfeit sale has been given repeated opportunities to contact us and make arrangements to catch up on their payment schedule.

"We're not trying to work a hardship on anyone but we also want to be fair to the

overwhelming majority of veterans who are paying their accounts on time," Rains stressed.

The highest bid of \$64,001 was submitted on a 39.7 acre tract in Grayson County by Benjamin A. Connell of Dallas.

Forty-two bids were received on a 10.1 acre tract in Dallas, the largest single number of bids received on a single tract. The tract was purchased by Robert L. Moore of Dallas with a high bid of \$20,200.

"The Veterans Land Board has always been a self-sustaining program that has never cost the taxpayers a single penny," said Texas Land Commissioner Garry Mauro, who serves as Chairman of the Veterans Land Board.

"It's unfortunate when it becomes necessary to conduct a forfeited tract sale," Mauro said. "But a fair but aggressive policy toward delinquencies is necessary if we are to continue to offer generous terms to our veterans through this excellent program.

"Periodic sales of forfeited tracts are consistent with my commitment to run the Veterans Land Program in a cost-efficient, businesslike manner at no cost to the taxpayers," he stressed. "Prompt action on these infrequent delinquencies will continue to ensure that not a single dollar is wasted on this program."

\$250 million available for home loans

In the largest sale of general obligation bonds in the history of the state, the Texas Veterans Land Board has accepted a bid from an investment syndicate headed by Citicorp Capital Markets Group to underwrite an additional \$250 million in bonds to fund the Texas Veterans Housing Assistance Program (VHAP).

"The results of this bond sale are good news for Texas veterans," Mauro said. "Citicorp's highly competitive bid will enable us to continue making home loans at the current 9.97% rate.

"The VHAP's ability to attract such a competitive rate in the highly competitive bond market," Mauro said, "is proof of the financial community's continued faith in the strength and stability of our Texas veterans' programs."

Mauro said more than 11,000 home loans had been made to Texas veterans through the Veterans Housing Assistance Program since the program began accepting applications ten months ago.

Texas veterans are currently paying 9.97 percent interest on loans financed through the VHAP. If a veteran combines a VHAP loan with a federal VA loan, they can purchase a home with no down payment required.

Mauro said there are now 148 approved lenders participating in the program with more than 475 locations across the state where veterans can apply for loans.

Continued from p. 1

Vets loans at risk

Mauro urged all veterans and real estate professionals "concerned with the effects of this bill" to write him at the Veterans Land Board, 1700 N. Congress, Austin, Tx. 78701

"Our land and housing program benefits are part of a rich Texas tradition," Mauro said, "of rewarding our veterans that dates back to the Republic of Texas."

"Our land and housing program benefits are part of a rich Texas tradition of rewarding our veterans that dates back to the Republic of Texas."

"What makes Texas different from other states is that we have always believed that we don't need to do our veterans a favor, just repay one," Mauro said. "This federal legislation makes a mockery of the debt we owe our veterans, and I urge all Texans to join me in working to repeal this unjust law.

"I want to urge all Texans concerned about our veterans that Congress has unfairly singled out," Mauro said, "to contact your local veterans organizations and elected officials and urge them to act to save our Texas veterans programs."

IMMEDIATE EFFECT OF 1984 TAX REFORM ACT ON TEXAS VHAP ELIGIBILITY

VETERANS DENIED ELIGIBILITY

| | | |
|--|------------------|------------|
| World War II Veterans (Sept. 1940 - July 1947) | 620,000 | 35.7% |
| Korean Conflict With No Service in World War II | 250,000 | 14.4% |
| Peace Time Veterans | 136,000 | 7.9% |
| a. Post Vietnam - 110,000 (May 1977 - Present) | | |
| b. Other Peace Time - 26,000 (Between WW II and WW I) | | |
| Total | 1,006,000 | 58% |

Texas leads in veterans claims

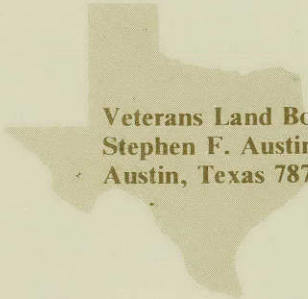
At least 4,600 Vietnam veterans in Texas have filed claims against a \$180 million trust fund benefiting vets suffering from reactions to Agent Orange - more claims than any other state.

Nationally, more than 70,000 claims have been filed by veterans exposed to the chemical defoliant used in Southeast Asia from 1962 to 1971.

The \$180 million fund was established by

seven chemical companies that manufactured the herbicide, which contains dioxin. All seven were named in a class-action suit filed in 1979.

U.S. District Judge Jack Weinstein of Brooklyn extended to December 31 the deadline for filing claims and is expected to rule within a few weeks on whether a lawsuit that seeks more than \$1 billion from the government may be taken to court.



Veterans Land Board
Stephen F. Austin Building
Austin, Texas 78701

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