

16.54 Home ownership assistance program for military members.

1. For the purposes of this section, “*eligible member of the armed forces of the United States*” means a person who is or was a member of the national guard, reserve, or regular component of the armed forces of the United States who has served at least ninety days of active duty service beginning on or after September 11, 2001. “*Eligible member of the armed forces of the United States*” also means a former member of the national guard, reserve, or regular component of the armed forces of the United States who was honorably discharged due to injuries incurred while on federal active duty beginning on or after September 11, 2001, that precluded completion of a minimum aggregate of ninety days of federal active duty.

2. The home ownership assistance program is established to continue the program implemented pursuant to 2005 Iowa Acts, ch. 161, section 1, as amended by 2005 Iowa Acts, ch. 115, section 37, and continued in accordance with 2006 Iowa Acts, ch. 1167, sections 3 and 4, and other appropriations, to provide financial assistance to eligible members of the armed forces of the United States to be used for purchasing primary residences in the state of Iowa.

3. The program shall be administered by the authority and shall provide loans, grants, or other assistance to persons who are or were eligible members of the armed forces of the United States. In the event an eligible member is deceased, the surviving spouse of the eligible member shall be eligible for assistance under the program, subject to the surviving spouse meeting the program’s eligibility requirements other than the military service requirement. In addition, a person eligible for the program under this section may participate in other loan and grant programs of the authority, provided the person meets the requirements of those programs.

4. To qualify for a loan, grant, or other assistance under the home ownership assistance program, the following requirements, if applicable, shall be met:

a. The person eligible for the program shall, for financed home purchases that close on or after July 1, 2008, use a lender that participates in the authority’s applicable programs for homebuyers or a lender approved by the authority under subsection 5.

b. For financed home purchases that close on or after July 1, 2008, the eligible person shall participate, if eligible to participate, in one of the authority’s other applicable programs for homebuyers. However, a person eligible for one of the authority’s other applicable programs for homebuyers may use a lender that does not participate in the authority’s programs for homebuyers if such lender is approved by the authority under subsection 5.

c. A title guaranty certificate shall be issued for the property being purchased under the program.

5. a. A mortgage lender maintaining an office in the state that does not participate in the authority’s programs for homebuyers may submit an application to the authority for approval to provide a mortgage loan or other financing under the home ownership assistance program or another homebuyer program, if applicable pursuant to subsection 4, paragraph “b”. The authority shall prescribe a form for such applications.

b. The authority shall by rule establish criteria for the review and approval of applications submitted under this subsection, including criteria for the approval of a mortgage lender that offers an eligible person a lower annual percentage rate than the annual percentage rates available from lenders that participate in the authority’s applicable programs for homebuyers.

c. The authority may determine and collect a reasonable application fee for each application submitted under this subsection. The application fees collected under this subsection shall be used exclusively for costs associated with the review and approval of applications submitted under this subsection.

6. The authority shall adopt rules for administering the program. The rules may provide for limiting the period of time for which an award of funds under the program shall be reserved for an eligible person pending the closing of a home purchase and compliance with all program requirements. Implementation of the program shall be limited to the extent of the amount appropriated or otherwise made available for purposes of the program.

7. The department of veterans affairs shall support the program by providing eligibility determinations and other program assistance requested by the authority.

2008 Acts, ch 1120, §1; 2010 Acts, ch 1089, §1, 2; 2012 Acts, ch 1072, §5

[T] Subsection 1 amended