

**ORDER OF THE  
DEPARTMENT OF VETERANS AFFAIRS  
ADOPTING RULES**

The Wisconsin Department of Veterans Affairs adopts an order to amend VA 12.02(7) and (16) and 12.04(1) and to create VA 12.02(17), relating to establishing interest rates and the maximum loan amount under the personal loan program.

Analysis prepared by the Department of Veterans Affairs.

Statutory authority: ss. 45.356(2), (3), and (7)(c), Stats.

Statutes interpreted: ss. 45.356(2) and (3), Stats.

The amendment of VA 12.02(7) and (16) will enable the Department to make larger individual loans under the personal loan program. The loans will be underwritten under current underwriting standards so that creditworthy applicants will be identified. However, applicants who can justify the need for a loan up to \$15,000 under any statutory purpose will be able to secure that amount rather than arbitrarily restricting the loan amount to \$10,000.

The amendment of VA 12.04(1) will enable the Department to adjust interest rates by taking into account a broader array of factors relevant to that decision. It will enable the Department to offer more competitive interest rates and provide a sound marketing strategy for the program.

The creation of VA 12.02(17) will clarify the Department's authority to periodically adjust the maximum loan amount under the personal loan program.

**TEXT OF THE RULE**

**SECTION 1.** VA 12.02(7) is amended to read:

**(7) MAXIMUM AMOUNT AND USE OF LOAN.** A person may have more than one personal loan program loan at the same time. Except as provided under s. VA 12.02(16), a person's indebtedness to the department may not exceed ~~\$10,000~~ \$15,000 under the personal loan program. Except as provided under s. VA 12.02(16), a person's total indebtedness to the department may not exceed \$15,000 under the personal loan program, the economic assistance loan program under s. 45.351(2), 1995 Stats., and the veterans trust fund stabilization program under s. 45.356, 1995 Stats. A personal loan program loan may not be used to refinance any portion of an existing personal loan program loan or a veterans trust fund stabilization loan under s. 45.356, 1995 Stats.

**SECTION 2.** VA 12.02(16) is amended to read:

**(16) INDEBTEDNESS OF MARRIED VETERANS.** Notwithstanding the limitations of s. VA 12.02(7), eligible veterans who are married to each other may have indebtedness to the department in an amount up to ~~\$20,000~~ \$30,000 under the personal loan program and total indebtedness to the department up to \$30,000 under the personal loan program, the economic assistance loan program under s. 45.351(2), 1995 Stats., and the veterans trust fund stabilization loan program under s. 45.356, 1995 Stats., subject to the indebtedness limitations for an individual veteran delineated at ss. 45.356(2) and 45.356(8), Stats.

SECTION 3. VA 12.04(1) is amended to read:

(1) PROGRAM INTEREST RATES. Program interest rates shall be determined by the secretary of the department and adjusted periodically to be no less than 4% below nor more than 4% above the prime rate as reported in the Wall Street Journal on any of the 7 days prior to the determination of the program interest rates. Program interest rates may vary according to the amount of income of the applicants ~~and~~, the type of loan security accepted by the department, the term of the loan, the method of payment, or other factors considered to be relevant by the department. Income brackets shall be determined by the secretary of the department and may be adjusted periodically.

SECTION 4. VA 12.02(17) is created to read:

(17) ADJUSTMENTS TO MAXIMUM AMOUNT OF INDEBTEDNESS. Subject to the maximum amounts of indebtedness established under ss. VA 12.02(7) and (16), the secretary of the department may periodically adjust the amount of indebtedness that may be incurred under the personal loan program. Any adjustment of the maximum amount of indebtedness shall be applicable to eligible applicants who apply for a new loan after the effective date of the adjustment.

This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register, as provided in s. 227.22(2)(intro), Stats.

Dated at Madison, Wisconsin, February 26, 2003.

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Raymond G. Boland, Secretary  
Wisconsin Department of Veterans Affairs