



State of Texas
House of Representatives
Austin

Frank Tejeda

April 25, 1981

Dr. Hector P. Garcia, Founder
AMERICAN GI FORUM
1315 Bright
Corpus Christi, TX 78405

Dear Dr. Garcia:

Enclosed please find another newspaper clipping regarding House Joint Resolution 103. I am happy to report that H.J.R. 103 has been unanimously endorsed by the House Constitutional Amendments Committee and sent to the House Floor with the recommendation that it do pass.

Please contact your Senators and Representatives and urge them to support and vote in favor of this very important legislation. The assistance you and your members can provide will be of great importance not only to veterans, but to their families.

Please feel free to call on me if you have any questions regarding the above.

Sincerely,

Frank

FRANK TEJEDA
State Representative
District 57-B

FT/oh

Enclosure

*Thanks for your interest and concern.
Please pass the word.*

Austin Office
P.O. Box 2910
Austin, Texas 78769
512-475-4506

District Office
666-U S.W. Military Drive
San Antonio, Texas 78221
512-924-7383

House panel backs Tejeda veterans bill

By **DICK MERKEL**

Chief, Express Capital Bureau

AUSTIN — A proposal by Rep. Frank Tejeda, D-San Antonio, to provide state-backed, low-interest home loans for Texas veterans was endorsed Wednesday by the House Constitutional Amendments Committee.

By a unanimous vote, the committee approved Tejeda's HJR103 and sent it to the full House where action is expected within two weeks.

If the proposed constitutional amendment clears both the House and Senate within the six weeks left in the current legislative session, it will be put before voters statewide in November 1982.

HJR103 would allow the state to issue up to \$800 in general obligation

bonds, the proceeds from which could be used as loans to eligible veterans for the purchase of homes.

Because the state can use its top credit rating to issue bonds at low interest rates, the money could then be loaned to veterans at 1 percent over what the state pays, still well below the current interest rates on conventional, VA and FHA mortgage loans.

On the basis of the current bond market, the state could issue bonds at around 10 percent, and make home loans to veterans at 11 percent.

Any honorably discharged Texas veteran would be eligible for such a loan under Tejeda's proposal.

HJR103, which has the backing of House Speaker Bill Clayton, will require a two-thirds vote in both the House and Senate to make the statewide ballot.



FRANK TEJEDA
... bill goes to House

Vet loan bill foes nil

By DICK MERKEL

Chief, Express Capitol Bureau

AUSTIN — No opposition was expressed Tuesday as a House committee began study of proposed legislation to provide state-financed home loans for honorably discharged Texas veterans.

The legislation, by state Rep. Frank Tejeda, D-San Antonio, calls for a constitutional amendment allowing the state to issue up to \$800 million in bonds to finance low-interest mortgages to former military personnel.

If finally approved by the House and Senate during the current legislative session, the proposal would be placed on the November 1982, ballot for voters statewide to decide.

After action in the House Constitutional Amendments Committee on Tuesday, Tejeda said all the signs were good that the Legislature would have an opportunity to act on his proposal in the session which ends June 2.

After testimony was heard, HJR103 was sent to a subcommittee chaired by Rep. Paul Elizondo, D-San Antonio, who said the subcommittee would act on the bill as soon as possible.

Elizondo indicated the proposal might clear subcommittee in time to be taken up for final consideration by the full committee at its regular session next Tuesday.

The only testimony presented at Tuesday's hearing was by Tejeda and Charles A. Buerschinger, budget and finance director for the Texas Veterans Affairs Commission, a state agency.

Tejeda said the Veterans Land Program, also created by a constitutional amendment, has helped some vets to acquire acreage in the past by lending up to \$20,000 for the purchase of 10 acres or more. He said his program would be in addition to this benefit.

Buerschinger told the committee federal law allows a state program to charge an interest rate of 1 percent over the rate it pays on bond money on the open market.

"If this program were in effect now, Texas would be able to borrow bond money at 9 to 9.5 percent on the current market and lend it to veterans at 10 to 10.5 percent," he said.

Buerschinger went on to tell the committee the current interest rate on a Veterans Administration guaranteed loan is 14 percent.

"Based on this, the monthly mortgage payments on a \$58,000 home (the ceiling in the Tejeda proposal) would be \$687 a month, including principal and interest over the 30-year life of the loan.

"The same loan under the Tejeda bill would carry a monthly payment of \$530 over the same time, a difference of \$157 a month," Buerschinger said.