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**Introduced by Senator Alvarado-Gil**

February 20, 2025

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An act to amend Section 987.53 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 604, as introduced, Alvarado-Gil. Veterans' benefits: farm and home purchase.

Existing law provides for farm and home purchase benefits for qualifying veterans under the Veterans' Farm and Home Purchase Act of 1974, which is also known as the CalVet Home Loan Program, and places responsibility for program administration with the Department of Veterans Affairs. Existing law defines specified terms for these purposes.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 987.53 of the Military and Veterans Code
- 2 is amended to read:
- 3 987.53. As used in this article:
- 4 (a) "Farm" means a tract of ~~land, which,~~ *land that*, in the opinion
- 5 of the department, is capable of producing sufficient income to
- 6 provide payment of the amortized contract installments, including
- 7 principal, interest, and taxes.

(b) “Home” means a parcel of real estate ~~upon which there is~~  
*that has* a dwelling house and other buildings that will, in the sole  
opinion of the department, meet or exceed industry health and  
safety standards. “Home” includes all of the following:

(1) A condominium as defined in subdivision (h).

(2) A mobilehome as defined in subdivision (k).

(3) A residence with two to four units, inclusive, that satisfies  
the requirements of Section 143(k)(7) of ~~the Internal Revenue~~  
*Code Title 26 of the United States Code* where at least one unit is  
occupied by a veteran and their family.

(4) A cooperative dwelling unit as defined in subdivision (s).

(c) “Purchaser” means a veteran or ~~any~~ a person who has entered  
into a contract of purchase of a farm or home from the department.

(d) “Purchase price” means the price ~~that is~~ paid for the  
acquisition of ~~any~~ a farm or home.

(e) “Selling price” means the price for which ~~any~~ a farm or  
home is sold.

(f) “Initial payment” means the first payment to be made by a  
purchaser to the department or the seller for a farm or home.

(g) “Progress payment plan” means payment by the department  
for improvements on real property in installments as work  
progresses.

(h) “Condominium” means an estate in real property consisting  
of an undivided interest in common in a portion of a parcel of real  
property together with a separate interest in space in a residential  
building on the real property, such as an apartment, ~~which,~~ *that,*  
in the sole opinion of the department, meets minimum property  
standards as defined by the department. A condominium may  
include, in addition, a separate interest in other portions of the  
property.

(i) “Effective rate of interest” means the average rate of interest  
on the unpaid balance due on a participation contract to which the  
department’s legal rights are ~~subject,~~ *subject* and the rate of interest  
on the unpaid balance of the purchase price, as determined by the  
department.

(j) “Participation contract” means an obligation secured by a  
deed of trust or mortgage, or other security interest, to include, but  
not be limited to, mortgage-backed securities, established pursuant  
to regulations of the department.

1 (k) “Mobilehome” means either a parcel of real estate, ~~or estate~~  
2 ~~on which is sited one or more mobilehome modules~~, an undivided  
3 interest in common in a portion of a parcel of real ~~property~~,  
4 ~~property~~ on which is sited one or more mobilehome modules, or  
5 a site in a mobilehome park, as defined in Section 18214 of the  
6 Health and Safety Code, on which one or more mobilehome  
7 modules are sited or are to be sited that will, in the sole opinion  
8 of the department, meet minimum property standards as defined  
9 by the department and meet all requirements of local governmental  
10 jurisdictions. However, where the mobilehome module or modules  
11 are sited on trust land, “local governmental jurisdictions” means  
12 the tribal governing body.

13 For purposes of this subdivision, “module” means a section of  
14 a mobilehome at least 10 feet wide and at least 40 feet long.

15 (l) “Indian veteran” means a veteran, as defined in Section 980,  
16 ~~who, in addition, who~~ either belongs to an Indian tribe, band, group,  
17 reservation, rancheria, or community ~~which that~~ is recognized by  
18 the United States as eligible for services from the United States  
19 Bureau of Indian Affairs or is an Indian beneficiary and who is  
20 eligible under this article for purchase by the department of a home  
21 or farm sited on trust land.

22 (m) “Trust land,” with respect to an Indian veteran, means land  
23 held in trust by the United States government for individual  
24 Indians, Indians who belong to Indian tribes, or Indian tribes.

25 (n) “Allotment trust land” means land held by the United States  
26 under the Indian General Allotment Act of 1887, ~~as amended, 1887~~  
27 (Chapter 9 (commencing with Section 331) of Title 25 of the  
28 United States Code), ~~as amended~~, in trust for an individual Indian  
29 or for two or more Indians holding individual interests in common.  
30 It includes ~~both~~ trust and restricted public domain ~~allotments and~~  
31 ~~allotments~~, ~~as well as~~ allotments within the boundaries of an Indian  
32 reservation.

33 (o) “Tribal trust land” means land held in trust by the United  
34 States for an Indian tribe or band.

35 (p) “Tribe” means ~~any~~ ~~an~~ Indian tribe, band, group, reservation,  
36 rancheria, or community ~~which that~~ is recognized by the United  
37 States as eligible for services from the United States Bureau of  
38 Indian Affairs.

39 (q) “Immediate family” means the spouse or registered domestic  
40 partner of a purchaser, the natural or adopted dependent children

1 of the a purchaser, and the parents of the a purchaser if they are  
2 dependent on the purchaser for 50 percent or more of their support.

3 (r) “Indian beneficiary” means an Indian for whom land is held  
4 in trust by the United States government.

5 (s) “Cooperative dwelling unit” means a unit in a development  
6 owned by a stock ~~cooperative~~ *cooperative*, as defined in  
7 ~~subdivision (m) of Section 1351~~ *Section 4190* of the Civil Code,  
8 including a limited-equity housing ~~cooperative~~ *cooperative*, as  
9 defined in Section 817 of the Civil Code, or similar entity, the  
10 exclusive occupancy of which is established in accordance with  
11 cooperative dwelling unit ownership documents.

12 (t) “Cooperative dwelling unit ownership documents” means  
13 cooperative housing stock together with ~~any occupancy agreements~~  
14 ~~or similar arrangements~~ *an occupancy agreement or similar*  
15 *arrangement* between the stock company and the owner of the  
16 cooperative housing stock. The cooperative dwelling unit  
17 ownership documents for a cooperative dwelling unit shall have  
18 terms that are acceptable to the department to allow the department  
19 to protect its rights under the applicable contract of purchase.

20 (u) “Cooperative housing stock” means a certificate of stock, a  
21 certificate of membership, or other evidence of ownership of an  
22 ~~interest,~~ *interest* in a stock ~~cooperative~~ *cooperative*, as defined in  
23 ~~subdivision (m) of Section 1351~~ *Section 4190* of the Civil Code,  
24 including a limited-equity housing ~~cooperative~~ *cooperative*, as  
25 defined in Section 817 of the Civil Code, or similar entity that  
26 entitles the purchaser to enter into ~~occupancy agreements or similar~~  
27 ~~arrangements~~ *an occupancy agreement or similar arrangement*  
28 with the stock cooperative, including a limited-equity housing  
29 cooperative, or similar ~~entity,~~ *entity* to occupy a cooperative  
30 dwelling unit.

31 (v) “Property,” except when used in the phrase “real property”  
32 or “personal property,” means a farm or a home.