



STATE OF OREGON

INTEROFFICE MEMO

file

TO: Governor Atiyeh

DATE: November 22, 1983

FROM: Gerry Thompson *Gerry*

SUBJECT:

A late call was received from Staryl Austin. Dept. of Veterans' Affairs has been working with John Colvin in Sen. Packwood's office to gain legislation to make room for "advance refunding for cash" plan previously discussed with you. Latest work with Packwood's office was today.

All of a sudden news reports from Gannett News Service, Scrips News Service, and Pete Schulberg--Channel 8, all of Washington were reporting on an interview with Colvin. Colvin was quoted as saying that Vet's Affairs in Oregon is facing a \$750 million cash shortfall in the 1990's.

Staryl immediately went to work refuting the statement.

As you know, Vet's Affairs is simply working on a plan to match bond maturities with mortgage maturities. Past practices (pre-Austin) were to obtain bonds with a 20 year maturity and place mortgages with 30 years maturity. To put it in Austin's words, we are just trying to find a way to move everything around to match up maturities.

The fact is Vets program is not in the red now and will not be in the red in the future. If no remedial action is allowed, they may face only \$15 million left in the sinking fund about 1998. They want to free up -- or make more flexible -- \$750 million to protect the sinking fund.

GT/dr

cc: Staryl Austin
Bob Oliver
Denny Miles