

Subsec. (e)(1)(E). Pub. L. 100-198, §7(a)(3), substituted "by more than 10 years; and" for period at end.

Subsec. (e)(1)(F). Pub. L. 100-198, §7(a)(4), added cl. (F).

Subsec. (g)(3). Pub. L. 100-198, §13, inserted at end "If the procedures described in clause (C) of this paragraph include standards for evaluating residual income, the Administrator shall, in establishing such standards, give appropriate consideration to State statistics (in States as to which the Administrator determines that such statistics are reliable) pertinent to residual income and the cost of living in the State in question rather than in a larger region."

Subsec. (h). Pub. L. 100-198, §7(c), added subsec. (h).

1986—Subsec. (b)(3). Pub. L. 99-576, §402(a), inserted "as determined in accordance with the credit underwriting standards established pursuant to subsection (g) of this section".

Subsec. (g). Pub. L. 99-576, §402(b), added subsec. (g).

1984—Subsec. (a)(9). Pub. L. 98-223, §205(a)(1), added par. (9).

Subsec. (f). Pub. L. 98-223, §205(a)(2), added subsec. (f). 1980—Subsec. (a)(8). Pub. L. 96-385, §401(a)(1), added par. (8).

Subsec. (c). Pub. L. 96-385, §402(a), substituted "\$27,500" for "\$25,000".

Subsec. (e). Pub. L. 96-385, §401(a)(2), added subsec. (e).

1978—Subsec. (a)(6). Pub. L. 95-476, §104(1), struck out requirement that the purchased residential unit be in a new condominium development, struck out provision that such unit could be in a structure built and sold as a condominium, and inserted provision that the criteria prescribed by the Administrator be prescribed through regulations.

Subsec. (a)(7). Pub. L. 95-476, §104(2), added par. (7).

Subsec. (c). Pub. L. 95-476, §105(a), substituted "\$25,000" for "\$17,500".

Subsec. (d). Pub. L. 95-476, §104(3), added subsec. (d).

1976—Subsec. (a). Pub. L. 94-324 substituted "the veteran", "the veterans'" and "the Administrator" for "him", "his" and "he", respectively, wherever appearing.

1974—Subsec. (a)(5). Pub. L. 93-569, §3(1), struck out "Nothing in this chapter shall preclude a veteran from paying to a lender any discount required by such lender in connection with such refinancing."

Subsec. (a)(6). Pub. L. 93-569, §3(2), added par. (6).

Subsec. (c). Pub. L. 93-569, §3(3), substituted "\$17,500" for "\$12,500".

Subsec. (d). Pub. L. 93-569, §3(4), struck out subsec. (d) relating to guaranty of loans for purchase of a one-family residential unit in a condominium housing project or development as to which Secretary of Housing and Urban Development has issued, under section 234 of the National Housing Act, evidence of insurance.

1970—Subsec. (a). Pub. L. 91-506, §3(1), added par. (5) permitting a veteran to use his loan guaranty eligibility to refinance existing mortgage loans or other liens on dwellings on farm residences he occupies and provided that veterans using loan guarantees for such refinancing may pay points demanded by a lender.

Subsec. (d). Pub. L. 91-506, §3(2), added subsec. (d).

1968—Subsec. (b). Pub. L. 90-301, §2(a), substituted "loan to be paid" for "price paid or to be paid" in par. (5) of first sentence and inserted sentence at end relating to notification of veteran concerned of determination of reasonable value of any property, construction, repairs, or alterations.

Subsec. (c). Pub. L. 90-301, §1(a), increased limitation on amount of guaranty entitlement from \$7,500 to \$12,500.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2019 AMENDMENT

Amendment by Pub. L. 116-23 applicable with respect to a loan guaranteed under this section on or after Jan. 1, 2020, see section 6(d) of Pub. L. 116-23, set out as a note under section 3703 of this title.

##### EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by section 3(a)(2) of Pub. L. 100-198 applicable to loans closed on or after Feb. 1, 1988, but not applicable to any loan for which a guaranty commitment is made on or before Dec. 31, 1987, see section 3(d) of Pub. L. 100-198, set out as a note under section 3703 of this title.

Section 7(d) of Pub. L. 100-198 provided that:

"(1) The amendments made by subsections (a) and (b) of this section [amending this section and section 1819 [now 3712] of this title] shall apply to loans made more than 30 days after the date of the enactment of this Act [Dec. 21, 1987].

"(2) The amendment made by subsection (c) of this section [amending this section] shall apply to loans for which commitments are made more than 60 days after the date of the enactment of this Act."

Amendment by section 8(a)(2) of Pub. L. 100-198 applicable with respect to loans made more than 30 days after Dec. 21, 1987, see section 8(c) of Pub. L. 100-198, set out as a note under section 3704 of this title.

##### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by sections 401(a) and 402(a) of Pub. L. 96-385 effective Oct. 7, 1980, and Oct. 1, 1980, respectively, see section 601(b), (d) of Pub. L. 96-385, set out as a note under section 1114 of this title.

##### EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by sections 104(2), (3) and 105(a) of Pub. L. 95-476 effective Oct. 1, 1978, and amendment by section 104(1) of Pub. L. 95-476 effective July 1, 1979, except with respect to the authority to prescribe regulations for the implementation of such amendment, which is effective Oct. 18, 1978, see section 108(a), (b) of Pub. L. 95-476, set out as a note under section 3702 of this title.

##### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-324 effective June 30, 1976, see section 9(a) of Pub. L. 94-324, set out as a note under section 3701 of this title.

##### EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by Pub. L. 93-569 effective Dec. 31, 1974, except that amendment by section 3(2), (4) of Pub. L. 93-569 effective ninety days after Dec. 31, 1974, see section 10 of Pub. L. 93-569, set out as a note under section 3702 of this title.

##### RATIFICATION OF ACTIONS DURING PERIOD OF EXPIRED AUTHORITY

Any action taken by Secretary of Veterans Affairs before Feb. 13, 1996, under provision of law amended by title I of Pub. L. 104-110 that was taken during period beginning on date on which authority of Secretary under such provision of law expired and ending on Feb. 13, 1996, considered to have same force and effect as if such amendment had been in effect at time of that action, see section 103 of Pub. L. 104-110, set out as a note under section 1710 of this title.

##### REPORTS ON ENERGY EFFICIENT MORTGAGES GUARANTEED UNDER THIS SECTION

Pub. L. 102-547, §9(c), Oct. 28, 1992, 106 Stat. 3642, directed Secretary of Veterans Affairs to transmit report on energy efficient mortgages to Committees on Veterans' Affairs of Senate and House of Representatives not later than 1 year after date on which Secretary first exercises authority to guarantee loans under section 3710(d) of this title and for each of the 3 years thereafter, prior to repeal by Pub. L. 104-110, title II, §201(b), Feb. 13, 1996, 110 Stat. 770.

#### § 3711. Direct loans to veterans

(a) The Congress finds that housing credit for purposes specified in section 3710 or 3712 of this title is not and has not been generally available

to veterans living in rural areas, or in small cities and towns not near large metropolitan areas. It is therefore the purpose of this section to provide housing credit for veterans living in such rural areas and such small cities and towns.

(b) Whenever the Secretary finds that private capital is not generally available in any rural area or small city or town for the financing of loans guaranteed for purposes specified in section 3710 or 3712 of this title, the Secretary shall designate such rural area or small city or town as a "housing credit shortage area". The Secretary shall, with respect to any such area, make, or enter into commitments to make, to any veteran eligible under this title, a loan for any or all of the purposes described in section 3710(a) or 3712 of this title (other than the refinancing of a loan under section 3710(a)(8) or 3712(a)(1)(F)).

(c) No loan may be made under this section to a veteran unless the veteran shows to the satisfaction of the Secretary that—

(1) the veteran is unable to obtain from a private lender in such housing credit shortage area, at an interest rate not in excess of the rate authorized for guaranteed home loans or manufactured home loans, as appropriate, a loan for such purpose for which the veteran is qualified under section 3710 or 3712 of this title, as appropriate; and

(2) the veteran is unable to obtain a loan for such purpose from the Secretary of Agriculture under title III of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.).

(d)(1) Loans made under this section shall bear interest at a rate determined by the Secretary, not to exceed the rate authorized for guaranteed home loans, or manufactured home loans, as appropriate, and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable.

(2)(A) Except for any loan made under this chapter for the purposes described in section 3712 of this title, the original principal amount of any loan made under this section shall not exceed an amount which bears the same ratio to \$33,000 as the amount of guaranty to which the veteran is entitled under section 3710 of this title at the time the loan is made bears to \$36,000; and the guaranty entitlement of any veteran who heretofore or hereafter has been granted a loan under this section shall be charged with an amount which bears the same ratio to \$36,000 as the amount of the loan bears to \$33,000.

(B) The original principal amount of any loan made under this section for the purposes described in section 3712 of this title shall not exceed the amount that bears the same ratio to \$33,000 as the amount of guaranty to which the veteran is entitled under such section at the time the loan is made bears to \$20,000. The amount of the guaranty entitlement for purposes specified in section 3710 of this title of any veteran who is granted a loan under this section, or who before October 18, 1978, was granted a loan under this section, shall be charged with the amount that bears the same ratio to \$20,000 as the amount of the loan bears to \$33,000.

(3) No veteran may obtain loans under this section aggregating more than \$33,000.

(e) Loans made under this section shall be repaid in monthly installments, except that in the case of any such loan made for any of the purposes described in paragraphs (2), (3), or (4) of section 3710(a) of this title, the Secretary may provide that such loan shall be repaid in quarterly, semiannual, or annual installments.

(f) In connection with any loan under this section, the Secretary may make advances in cash to pay taxes and assessments on the real estate, to provide for repairs, alterations, and improvements, and to meet the incidental expenses of the transaction. The Secretary shall determine the expenses incident to origination of loans made under this section, which expenses, or a reasonable flat allowance in lieu thereof, shall be paid by the veteran in addition to the loan closing costs.

(g) The Secretary may sell, and shall offer for sale, to any person or entity approved for such purpose by the Secretary, any loan made under this section at a price which the Secretary determines to be reasonable under the conditions prevailing in the mortgage market when the agreement to sell the loan is made; and shall guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed for purposes specified in section 3710 or 3712 of this title, as appropriate.

(h) The Secretary may exempt dwellings constructed through assistance provided by this section from the minimum land planning and subdivision requirements prescribed pursuant to subsection (a) of section 3704 of this title, and with respect to such dwellings may prescribe special minimum land planning and subdivision requirements which shall be in keeping with the general housing facilities in the locality but shall require that such dwellings meet minimum requirements of structural soundness and general acceptability.

(i) The Secretary is authorized, without regard to the provisions of subsections (a), (b), and (c) of this section, to make or enter into a commitment to make a loan to any veteran to assist the veteran in acquiring a specially adapted housing unit authorized under chapter 21 of this title, if the veteran is determined to be eligible for the benefits of such chapter 21, and is eligible for loan guaranty benefits under this chapter.

(j)(1) If any builder or sponsor proposes to construct one or more dwellings in a housing credit shortage area, or in any area for a veteran who is determined to be eligible for assistance in acquiring a specially adapted housing unit under chapter 21 of this title, the Secretary may enter into commitment with such builder or sponsor, under which funds available for loans under this section will be reserved for a period not in excess of three months, or such longer period as the Secretary may authorize to meet the needs in any particular case, for the purpose of making loans to veterans to purchase such dwellings. Such commitment may not be assigned or transferred except with the written approval of the Secretary. The Secretary shall not enter into any such commitment unless such builder or sponsor pays a nonrefundable commitment fee to the Secretary in an amount determined

by the Secretary, not to exceed 2 percent of the funds reserved for such builder or sponsor.

(2) Whenever the Secretary finds that a dwelling with respect to which funds are being reserved under this subsection has been sold, or contracted to be sold, to a veteran eligible for a direct loan under this section, the Secretary shall enter into a commitment to make the veteran a loan for the purchase of such dwelling. With respect to any loan made to an eligible veteran under this subsection, the Secretary may make advances during the construction of the dwelling, up to a maximum in advances of (A) the cost of the land plus (B) 80 percent of the value of the construction in place.

(k) Without regard to any other provision of this chapter, the Secretary may take or cause to be taken such action as in the Secretary's judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of investments under this section, may determine the Secretary's necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed and paid, may make such rules, regulations, and orders as the Secretary may deem necessary or appropriate for carrying out the Secretary's functions under this section and, except as otherwise expressly provided in this chapter, may employ, utilize, compensate, and, to the extent not inconsistent with the Secretary's basic responsibilities under this chapter, delegate any of the Secretary's functions under this section to such persons and such corporate or other agencies, including agencies of the United States, as the Secretary may designate.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1208, §1811; Pub. L. 86-665, §2, July 14, 1960, 74 Stat. 531; Pub. L. 87-84, §2, July 6, 1961, 75 Stat. 201; Pub. L. 88-402, Aug. 4, 1964, 78 Stat. 380; Pub. L. 89-358, §5(e), Mar. 3, 1966, 80 Stat. 26; Pub. L. 90-77, title IV, §404, Aug. 31, 1967, 81 Stat. 190; Pub. L. 90-301, §1(b), May 7, 1968, 82 Stat. 113; Pub. L. 91-22, §3, June 6, 1969, 83 Stat. 32; Pub. L. 91-506, §4, Oct. 23, 1970, 84 Stat. 1109; Pub. L. 92-66, Aug. 5, 1971, 85 Stat. 173; Pub. L. 93-569, §4, Dec. 31, 1974, 88 Stat. 1864; Pub. L. 94-324, §§3, 7(12)-(15), June 30, 1976, 90 Stat. 720, 721; Pub. L. 95-476, title I, §105(b), Oct. 18, 1978, 92 Stat. 1499; Pub. L. 96-385, title IV, §§401(c)(2), 402(b), Oct. 7, 1980, 94 Stat. 1533; Pub. L. 97-295, §4(65), Oct. 12, 1982, 96 Stat. 1309; Pub. L. 97-306, title IV, §406(c)(1), Oct. 14, 1982, 96 Stat. 1445; Pub. L. 100-198, §3(c), Dec. 21, 1987, 101 Stat. 1316; Pub. L. 100-322, title IV, §415(c)(5), (d)(2) May 20, 1988, 102 Stat. 551, 552; Pub. L. 101-237, title III, §313(b)(1), Dec. 18, 1989, 103 Stat. 2077; renumbered §3711 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406; Pub. L. 105-368, title VI, §602(e)(1)(B), Nov. 11, 1998, 112 Stat. 3346.)

#### Editorial Notes

##### REFERENCES IN TEXT

Title III of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), referred to in subsec. (c)(2), probably means title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, known as the Consolidated Farm and Rural Development Act, which is classified principally to chapter 50 (§1921 et seq.) of Title 7, Agriculture. For

complete classification of this Act to the Code, see Short Title note set out under section 1921 of Title 7 and Tables.

The Housing Act of 1949, referred to in subsec. (c)(2), is act July 15, 1949, ch. 338, 63 Stat. 413. Title V of the Housing Act of 1949 is classified generally to subchapter III (§1471 et seq.) of chapter 8A of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of Title 42 and Tables.

##### AMENDMENTS

1998—Subsec. (k). Pub. L. 105-368 struck out “and section 3723 of this title” after “functions under this section” in two places.

1991—Pub. L. 102-83, §5(a), renumbered section 1811 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “3710 or 3712” for “1810 or 1812”.

Subsec. (b). Pub. L. 102-83, §5(c)(1), substituted “3710 or 3712” for “1810 or 1812”, “3710(a) or 3712” for “1810(a) or 1812”, and “3710(a)(8) or 3712(a)(1)(F)” for “1810(a)(8) or 1812(a)(1)(F)”.

Subsec. (c)(1). Pub. L. 102-83, §5(c)(1), substituted “3710 or 3712” for “1810 or 1812”.

Subsec. (d)(2). Pub. L. 102-83, §5(c)(1), substituted “3712” for “1812” and “3710” for “1810” in subpars. (A) and (B).

Subsec. (e). Pub. L. 102-83, §5(c)(1), substituted “3710(a)” for “1810(a)”.

Subsec. (g). Pub. L. 102-83, §5(c)(1), substituted “3710 or 3712” for “1810 or 1812”.

Subsec. (h). Pub. L. 102-83, §5(c)(1), substituted “3704” for “1804”.

Subsec. (k). Pub. L. 102-83, §5(c)(1), substituted “3723” for “1823” in two places.

1989—Subsecs. (b) to (d)(1), (e) to (k). Pub. L. 101-237 substituted “Secretary” and “Secretary’s” for “Administrator” and “Administrator’s”, respectively, wherever appearing.

1988—Subsec. (a). Pub. L. 100-322, §415(c)(5)(A), (d)(2)(A), substituted “for purposes specified in section 1810 or 1812” for “under section 1810 or 1819”.

Subsec. (b). Pub. L. 100-322, §415(c)(5), (d)(2)(A), substituted “for purposes specified in section 1810 or 1812” for “under section 1810 or 1819”, “section 1810(a) or 1812” for “section 1810(a) or 1819”, and “section 1812(a)(1)(F)” for “section 1819(a)(1)(F)”.

Subsecs. (c)(1), (d)(2)(A). Pub. L. 100-322, §415(c)(5)(A), substituted “1812” for “1819”.

Subsec. (d)(2)(B). Pub. L. 100-322, §415(c)(5)(A), (d)(2)(B), substituted “1812” for “1819” and “for purposes specified in section 1810” for “under section 1810(c)”.

Subsec. (g). Pub. L. 100-322, §415(c)(5)(A), (d)(2)(A), substituted “for purposes specified in section 1810 or 1812” for “under section 1810 or 1819”.

1987—Subsec. (d)(2)(A). Pub. L. 100-198 substituted “\$36,000” for “\$27,500” in two places.

1982—Subsec. (c)(1). Pub. L. 97-306, §406(c)(1), substituted “manufactured home” for “mobile home”.

Subsec. (c)(2). Pub. L. 97-295, §4(65)(A), substituted “title III of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.)” for “sections 1000-1029 of title 7 or under sections 1471-1483 of title 42”.

Subsec. (d)(1). Pub. L. 97-306, §406(c)(1), substituted “manufactured home” for “mobile home”.

Subsec. (d)(2)(B). Pub. L. 97-295, §4(65)(B), substituted “October 18, 1978,” for “the date of the enactment of the Veterans’ Housing Benefits Act of 1978”.

Subsec. (j). Pub. L. 97-295, §4(65)(C), substituted “percent” for “per centum” wherever appearing.

1980—Subsec. (b). Pub. L. 96-385, §401(c)(2), inserted “(other than the refinancing of a loan under section 1810(a)(8) or 1819(a)(1)(F))” after “section 1810(a) or 1819 of this title”.

Subsec. (d)(2). Pub. L. 96-385, §402(b), substituted in two places “\$27,500” for “\$25,000” in subpar. (A) and “\$20,000” for “\$17,500” in two places in subpar. (B).

1978—Subsec. (d)(2)(A). Pub. L. 95-476, §105(b)(1), substituted "\$25,000" for "\$17,500" in two places.

Subsec. (d)(2)(B). Pub. L. 95-476, §105(b)(2), substituted formula for determining maximum amount of original principal of any loan made under this section for purposes of section 1819 of this title for provision that such original amount was not to exceed amount specified by Administrator pursuant to section 1819(d) of this title and inserted provision relating to amount of guaranty entitlement under section 1810(c) of this title.

1976—Subsec. (b). Pub. L. 94-324, §7(12), substituted "the Administrator shall" for "he shall" and "The Administrator" for "He".

Subsec. (c). Pub. L. 94-324, §7(13), substituted "the veteran" for "he" wherever appearing.

Subsec. (d)(2)(A). Pub. L. 94-324, §3(1), substituted "\$33,000" for "\$21,000" wherever appearing and struck out provision authorizing Administrator to increase limitations specified upon finding that cost levels so required.

Subsec. (d)(3). Pub. L. 94-324, §3(2), increased aggregate amount of loans that a veteran is eligible to receive under this section from \$21,000 to \$33,000 and struck out provision authorizing Administrator to increase specific limitations upon such loans.

Subsec. (g). Pub. L. 94-324, §7(14), substituted "the Administrator" for "him" and "he" wherever appearing.

Subsec. (k). Pub. L. 94-324, §7(15), substituted "the Administrator's" for "his" wherever appearing and "as the Administrator" for "as he" wherever appearing.

1974—Subsec. (d)(2)(A). Pub. L. 93-569 substituted "\$17,500" for "\$12,500" wherever appearing.

1971—Subsec. (g). Pub. L. 92-66 substituted provisions authorizing Administrator to sell loans at a price which he determines to be reasonable under prevailing conditions in the mortgage market when agreement to sell loan is made, for provisions authorizing Administrator to sell loans at a price which he determines to be reasonable but not less than 98 per centum of unpaid principal balance, plus full amount of accrued interest, and if loans are offered to an investor in a package or block of two or more loans at not less than 98 per centum of aggregate unpaid principal balance of loans included in such package or block, plus full amount of accrued interest.

1970—Subsec. (a). Pub. L. 91-506, §4(1), substituted "1810 or 1819" for "1810".

Subsec. (b). Pub. L. 91-506, §4(1), (2), substituted "1810 or 1819" for "1810" and provided that the Administrator make, or enter into commitments to make, to any eligible veteran, a loan for any of the purposes described in section 1819 dealing with loans to purchase mobile homes and lots as well as section 1810(a) dealing with the purchase or construction of homes.

Subsecs. (c)(1), (d)(1). Pub. L. 91-506, §4(3), (4), inserted reference to mobile home loans.

Subsec. (d)(2)(A). Pub. L. 91-506, §4(5), redesignated subsec. (d)(2) as subsec. (d)(2)(A) and substituted "Except for any loan made under this chapter for the purposes described in section 1819 of this title, the" for "The".

Subsec. (d)(2)(B). Pub. L. 91-506, §4(6), inserted provision limiting the original principal amount of any loan made under this section for the purchase of mobile homes and mobile home lots under section 1819 of this title to the amount specified by the Administrator pursuant to subsec. (d) of section 1819.

Subsec. (g). Pub. L. 91-506, §4(7), substituted "1810 or 1819 of this title, as appropriate" for "1810 of this title".

Subsec. (h). Pub. L. 91-506, §4(8), substituted provisions permitting Administrator to exempt dwellings constructed through assistance provided by this section from the minimum land planning and subdivision requirements of this title so long as such dwellings meet minimum requirements of structural soundness and general acceptability for provisions establishing a direct loan expiration date by reference to those for guaranteed loans.

Subsec. (i). Pub. L. 91-506, §4(8), substituted provisions authorizing Administrator to make or enter into

a commitment to make, loans to assist disabled veterans in acquiring specially adapted housing if they are eligible for provisions authorizing Administrator to reserve funds available for loans to enable veterans to purchase dwellings in a housing credit shortage area provided the builder pays a nonrefundable commitment fee, not to exceed 2 percent of the funds reserved, authorizing the Administrator to make advances during construction of the dwelling, authorizing the Administrator to permit a private lender to purchase such loan, and permitting the Administrator to exempt dwellings constructed through assistance provided by this subsec. from the minimum land planning and subdivision requirements of this title so long as such dwellings meet minimum requirements of structural soundness and general acceptability.

Subsec. (j). Pub. L. 91-506, §4(8), substituted provisions authorizing Administrator to reserve funds available for loans to enable veterans to purchase housing in a housing credit shortage area, or in any area for a disabled veteran eligible for specially adapted housing, provided the builder pays a nonrefundable commitment fee, not to exceed 2 percent of the funds reserved and authorizing the Administrator to make advances during construction of the dwelling for provisions authorizing the Administrator to process loan applications notwithstanding the assistance of the Voluntary Home Mortgage Credit Committee in trying to place such loans with private lenders, authorizing the Administrator to complete the processing of such loan applications unless he is notified by such Committee that it was able to place any such loan with a private lender, and defining "working days".

1969—Subsec. (d)(2), (3). Pub. L. 91-22 substituted "\$21,000" for "\$17,500" wherever appearing.

1968—Subsec. (d)(2). Pub. L. 90-301 substituted "\$12,500" for "\$7,500" in two places.

1967—Subsec. (d)(2). Pub. L. 90-77, §404(a), authorized an increase in amount of direct loan limits from \$17,500 to \$25,000 where Administrator finds cost levels so require.

Subsec. (d)(3). Pub. L. 90-77, §404(b), authorized an increase in aggregate amount of direct loans to \$25,000 where Administrator finds cost levels so require.

1966—Subsec. (d)(2), (3), Pub. L. 89-358 substituted "\$17,500" for "\$15,000" wherever appearing.

1964—Subsec. (g). Pub. L. 88-402 substituted provisions authorizing Administrator to sell loans at a price which he determines to be reasonable but not less than 98 per centum of unpaid principal balance, plus full amount of accrued interest, and if loans are offered to an investor in a package or block of two or more loans at not less than 98 per centum of aggregate unpaid principal balance of loans included in such package or block, plus full amount of accrued interest, for provisions which permitted Administrator to sell loans only at a price not less than par.

1961—Subsec. (d)(2), (3). Pub. L. 87-84, §2(a), substituted "\$15,000" for "\$13,500" wherever appearing.

Subsec. (h). Pub. L. 87-84, §2(b), substituted "to any veteran after the expiration of his entitlement pursuant to section 1803(a)(3) of this title except pursuant to a commitment issued by the Administrator before such entitlement expires" for "after July 25, 1962, except pursuant to commitments issued by the Administrator before that date."

1960—Subsec. (h). Pub. L. 86-665 substituted "1962" for "1960".

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-368 effective Oct. 1, 1998, see section 602(f) of Pub. L. 105-368, set out as a note under section 2106 of this title.

##### EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by section 3(c) of Pub. L. 100-198 applicable to loans closed on or after Feb. 1, 1988, but not ap-

licable to any loan for which a guaranty commitment is made on or before Dec. 31, 1987, see section 3(d) of Pub. L. 100-198, set out as a note under section 3703 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by sections 401(c)(2) and 402(b) of Pub. L. 96-385 effective Oct. 7, 1980, and Oct. 1, 1980, respectively, see section 601(b), (d) of Pub. L. 96-385, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-476 effective Oct. 1, 1978, see section 108(a) of Pub. L. 95-476, set out as a note under section 3702 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by sections 3 and 7(12)-(15) of Pub. L. 94-324 effective Oct. 1, 1976, and June 30, 1976, respectively, see section 9(a), (b) of Pub. L. 94-324, set out as a note under section 3701 of this title.

EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by Pub. L. 93-569 effective Dec. 31, 1974, see section 10 of Pub. L. 93-569, set out as a note under section 3702 of this title.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-77 effective first day of first calendar month which begins more than ten days after Aug. 31, 1967, see section 405 of Pub. L. 90-77, set out as a note under section 101 of this title.

**§ 3712. Loans to purchase manufactured homes and lots**

(a)(1) Notwithstanding any other provision of this chapter, any loan to a veteran eligible for the housing loan benefits of this chapter, if made pursuant to the provisions of this section, may be guaranteed if such loan is for one of the following purposes:

(A) To purchase a lot on which to place a manufactured home already owned by the veteran.

(B) To purchase a single-wide manufactured home.

(C) To purchase a single-wide manufactured home and a lot on which to place such home.

(D) To purchase a double-wide manufactured home.

(E) To purchase a double-wide manufactured home and a lot on which to place such home.

(F) To refinance in accordance with paragraph (4) of this subsection an existing loan guaranteed, insured, or made under this section.

(G) To refinance in accordance with paragraph (5) of this subsection an existing loan that was made for the purchase of, and that is secured by, a manufactured home and to purchase a lot on which such manufactured home is or will be placed.

(2) A loan for any of the purposes described in paragraph (1) of this subsection (other than the refinancing under clause (F) of such paragraph of an existing loan) may include an amount determined by the Secretary to be appropriate to cover the cost of necessary preparation of a lot already owned or to be acquired by the veteran, including the costs of installing utility connections and sanitary facilities, of paving, and of constructing a suitable pad for the manufactured home.

(3) Any loan made for the purposes described in clause (C), (E), or (G) of paragraph (1) of this subsection shall be considered as part of one loan. The transaction may be evidenced by a single loan instrument or by separate loan instruments for (A) that portion of the loan which finances the purchase of the manufactured home, and (B) that portion of the loan which finances the purchase of the lot and the necessary preparation of such lot.

(4)(A) For a loan to be guaranteed for the purpose specified in clause (F) of paragraph (1) of this subsection—

(i) the interest rate of the loan must be less than the interest rate of the loan being refinanced;

(ii) the loan must be secured by the same manufactured home or manufactured-home lot, or manufactured home and manufactured-home lot, as was the loan being refinanced;

(iii) the amount of the loan may not exceed an amount equal to the sum of the balance of the loan being refinanced and such closing costs (including any discount permitted pursuant to section 3703(c)(3)(A) of this title) as may be authorized by the Secretary, under regulations which the Secretary shall prescribe, to be included in such loan;

(iv) notwithstanding section 3703(a)(1) of this title, the amount of the guaranty of the loan may not exceed the greater of (I) the original guaranty amount of the loan being refinanced, or (II) 25 percent of the loan;

(v) the term of the loan may not exceed the original term of the loan being refinanced;

(vi) the veteran must own the manufactured home, or the manufactured-home lot, or the manufactured home and the manufactured-home lot, securing the loan and—

(I) must occupy the home, a manufactured home on the lot, or the home and the lot, securing the loan;

(II) must have previously occupied the home, a manufactured home on the lot, or the home and the lot, securing the loan as the veteran's home and must certify, in such form as the Secretary shall require, that the veteran has previously so occupied the home (or such a home on the lot); or

(III) in any case in which a veteran is in active duty status as a member of the Armed Forces and is unable to occupy the home, a manufactured home on the lot, or the home and the lot, as a home because of such status, the spouse of the veteran must occupy, or must have previously occupied, the manufactured home on the lot, or the home and the lot, as such spouse's home and must certify such occupancy in such form as the Secretary shall require.

(B) A loan to a veteran may be guaranteed by the Secretary under this chapter for the purpose specified in clause (F) of paragraph (1) of this subsection without regard to the amount of outstanding guaranty entitlement available for use by such veteran, and the amount of such veteran's guaranty entitlement shall not be charged as a result of any guaranty provided for such purpose. For purposes of section 3702(b) of this title, such loan shall be deemed to have been obtained with the guaranty entitlement used to obtain the loan being refinanced.