boundary of the Giles McNulty Indian Reservation and the north boundary of the Thomas Wilson Indian Reservation; thence south 83 degrees 30 minutes east 0.12 chains to the point of beginning, and containing 389.99 acres, more or less, situate and being in Madison County, Alabama.

Approved August 1, 1956.

Public Law 898 CHAPTER 854

AN ACT

August 1, 1956
[H. R. 9260]

To amend title III of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes.

Servicemen's readjustment benefits.
Loans.
59 Stat. 626.
38 USC 694.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) Section 500 (a) is amended (A) by striking out "ten" the first time it appears in the fourth sentence and inserting in lieu thereof "eleven", (B) by deleting the colon immediately preceding the last proviso and inserting in lieu thereof the following: "and, notwithstanding any other provision of this section to the contrary, an entitlement may be so excluded and restored to the use of any veteran at any time prior to January 31, 1965, for the purpose of obtaining a loan which will be guaranteed or insured in accordance with the provisions of this title:", and (C) by adding at the end thereof the following: "In computing the aggregate amount of guaranty or insurance entitlement available to a veteran under this title, the Administrator shall exclude the amount of guaranty or insurance entitlement previously used for any loan guaranteed or insured under section 501 which has been repaid in full, and with respect to which the real property which served as security for the loan has been disposed of because the veteran, while in the active service, was transferred by the military department with which he was serving."

38 USC 694a.

(2) Section 500 (c) is amended by striking the third sentence and inserting in lieu thereof: "Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a report thereof in such detail as the Administrator may, from time to time, prescribe."

38 USC 694.

(3) Section 501 (a) is amended by striking subsection (3) and inserting in lieu thereof the following: "(3) That the price paid or to be paid by the veteran for such property, or for the cost of construction, repairs, or alterations, does not exceed the reasonable value thereof as determined by the Administrator."

38 USC 694a.

(4) Section 502 (a) is amended by striking out subsection (4) and inserting in lieu thereof the following: "(4) That the price paid or to be paid by the veteran for such property, or for the cost of construction, repairs, or alterations, does not exceed the reasonable value thereof as determined by the Administrator."

38 USC 694b.

(5) Section 503 is amended by striking out subsection (4) and inserting in lieu thereof the following: "(4) That the price paid or to be paid by the veteran for such property, or for the cost of construction, repairs, or alterations, does not exceed the reasonable value thereof as determined by the Administrator."

38 USC 694c.

(6) Section 503A is amended by striking out the first paragraph and inserting in lieu thereof the following: "Whoever knowingly makes, effects, or participates in a sale of any property to a veteran for a consideration in excess of the reasonable value of such property as determined by the Administrator, shall, if the veteran pays for such property in whole or in part with the proceeds of a loan guaranteed

65 Stat. 320.
38 USC 694c-1.

38 USC 694a-694c.

by the Veterans' Administration under section 501, 502, or 503 of this title, be liable for three times the amount of such excess consideration irrespective of whether such person has received any part thereof."

38 USC 694d.

(7) Section 504 is amended by adding a new subsection (d) to read as follows: "(d) No loan for the purchase or construction of residential property shall be financed through the assistance of the provisions of this title unless the veteran applicant, at the time that he applies for the loan, and also at the time that the loan is closed, certifies, in such form as may be required by the Administrator, that he intends to occupy the property as his home. No loan for the repair, alteration, or improvement of residential property shall be financed through the assistance of the provisions of this title unless the veteran applicant, at the time that he applies to the lender for the loan, and also at the time that the loan is closed, certifies, in such form as may be required by the Administrator, that he occupies the property as his home. For the purpose of this title the requirement that the veteran recipient of a guaranteed or direct home loan must occupy or intend to occupy the property as his home shall be construed to mean that the veteran as of the date of his certification actually lives in the property personally as his residence or actually intends upon completion of the loan and acquisition of the dwelling unit to move into the property personally within a reasonable time and to utilize such property as his residence."

38 USC 694g.

(8) Section 506 is amended by designating the existing provisions therein as subsection (a) and by adding a new subsection (b) to read as follows: "(b) Whenever any veteran disposes of residential property securing a guaranteed, insured, or direct loan obtained by him under this title, the Administrator, upon application made by such veteran and by the transferee incident to such disposal, shall issue to such veteran in connection with such disposal a release relieving him of all further liability to the Administrator on account of such loan (including liability for any loss resulting from any default of the transferee or any subsequent purchaser of such property) if the Administrator has determined, after such investigation as he may deem appropriate, that (1) the loan is current, and (2) the purchaser of such property from such veteran (a) has obligated himself by contract to purchase such property and to assume full liability for the repayment of the balance of the loan remaining unpaid, and has assumed by contract all of the obligations of the veteran under the terms of the instruments creating and securing the loan, and (b) qualifies from a credit standpoint, to the same extent as if he were a veteran eligible under section 501 (a), for a guaranteed or insured or direct loan in an amount equal to the unpaid balance of the obligation for which he has assumed liability."

38 USC 694h.

(9) Section 507 is amended (A) by striking out "ten" the first time it appears in subsection (1) and inserting in lieu thereof "eleven", and (B) by striking out subsection (3) and inserting in lieu thereof the following: "(3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by the Administrator."

38 USC 694.

(10) Section 500 is amended by adding at the end thereof the following:

"(g) Notwithstanding any other provision of this title, if a loan report or an application for loan guaranty relating to a loan under this title has been received by the Administrator on or before July 25, 1958, such loan may be guaranteed or insured under the provisions of this title on or before July 25, 1959."

Approved August 1, 1956.