

Public Law 100-253
100th Congress

An Act

Feb. 29, 1988

[S. 2022]

Veterans' Home
Loan Program
Emergency
Amendments of
1988.

38 USC 101 note.

To amend title 38, United States Code, to authorize reductions under certain circumstances in the downpayments required for loans made by the Veterans' Administration to finance the sales of properties acquired by the Veterans' Administration as the result of foreclosures and to clarify the calculation of available guaranty entitlement and make other technical and conforming amendments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Home Loan Program Emergency Amendments of 1988".

SEC. 2. DOWNPAYMENT REQUIREMENTS FOR VENDEE LOANS.

Section 1816(d)(4)(B) of title 38, United States Code (as amended by section 6(b)(1) of Public Law 100-198), is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding at the end the following new division:

"(ii) A loan described in subparagraph (A) of this paragraph may, to the extent the Administrator determines to be necessary in order to market competitively the property involved, exceed 95 percent of the purchase price."

SEC. 3. AMOUNT OF GUARANTY ENTITLEMENT.

(a) CONVENTIONAL HOUSING.—Section 1803(a)(1) of title 38, United States Code (as amended by section 3(a)(1) of Public Law 100-198) is amended to read as follows:

"(a)(1)(A) Any loan to a veteran eligible for benefits under this chapter, if made for any of the purposes specified in section 1810 of this title and in compliance with the provisions of this chapter, is automatically guaranteed by the United States in an amount not to exceed the lesser of—

"(i)(I) in the case of any loan of not more than \$45,000, 50 percent of the loan; or

"(II) in the case of any loan of more than \$45,000, the lesser of \$36,000 or 40 percent of the loan, except that the amount of such guaranty for any such loan shall not be less than \$22,500; or

"(ii) the maximum amount of guaranty entitlement available to the veteran.

"(B) The maximum amount of guaranty entitlement available to a veteran under section 1810 of this chapter shall be \$36,000 reduced by the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."

(b) MANUFACTURED HOUSING.—Section 1819(c) of such title (as amended by section 3(b) of Public Law 100-198) is amended—

(1) in paragraph (3), by amending the first sentence to read as follows: "The Administrator's guaranty may not exceed the

lesser of (A) the lesser of \$20,000 or 40 percent of the loan, or (B) the maximum amount of guaranty entitlement available to the veteran.”;

(2) in paragraph (4), by amending the first sentence to read as follows: “The maximum amount of guaranty entitlement available to a veteran under this section shall be \$20,000 reduced by the amount of any such entitlement previously used by the veteran.”; and

(3) by adding at the end the following new paragraph:

“(5) The amount of any loan guaranteed under this section shall not exceed an amount equal to 95 percent of the purchase price of the property securing the loan.”.

(c) **EFFECTIVE DATES.**—The amendments made by this section shall apply to loans which are closed on or after February 1, 1988, except that they shall not apply to any loan for which a guaranty commitment is made on or before December 31, 1987.

38 USC 1803
note.

Approved February 29, 1988.

LEGISLATIVE HISTORY—S. 2022:

CONGRESSIONAL RECORD, Vol. 134 (1988):

Feb. 1, considered and passed Senate.

Feb. 17, considered and passed House.