

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 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.

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.

(C) If a veteran is deceased and if such veteran's surviving spouse was a co-obligor under an existing loan previously guaranteed, insured, or made for purposes specified in this section, such surviving spouse shall, only for the purpose specified in clause (F) of paragraph (1) of this subsection, be deemed to be a veteran eligible for benefits under this chapter.

(5)(A) For a loan to be guaranteed for the purpose specified in paragraph (1)(G) of this subsection or section 3710(a)(9)(B)(ii) of this title—

(i) the loan must be secured by the same manufactured home as was the loan being refinanced and such manufactured home must be owned and occupied by the veteran (except as provided in section 3704(c)(2) of this title) as such veteran's home; and

(ii) the amount of the loan may not exceed an amount equal to the sum of—

(I) the purchase price of the lot,

(II) the amount (if any) determined by the Secretary to be appropriate under paragraph (2) of this subsection to cover the cost of necessary preparation of such lot,

(III) the balance of the loan being refinanced, and

(IV) such closing costs (including any discount permitted pursuant to section 3703(c)(3)(E) of this title) as may be authorized by the Secretary, under regulations which the Secretary shall prescribe, to be included in such loan.

(B) When a loan is made to a veteran for the purpose specified in paragraph (1)(G) of this subsection or section 3710(a)(9)(B)(ii) of this title, and the loan being refinanced was guaranteed, insured, or made under this section, the portion of the loan made for the purpose of refinancing such loan may be guaranteed by the Secretary under this chapter 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 portion of such loan. For the purposes of section 3702(b) of this title, such portion of such loan shall be deemed to have been obtained with the guaranty entitlement used to obtain the loan being refinanced.

(b)(1) Use of entitlement for purposes specified in this section for the purchase of a manufactured home unit shall preclude the use of remaining entitlement for the purchase of an additional manufactured home unit until the unit which secured the loan has been disposed of by the veteran or has been destroyed by fire or other natural hazard.

(2) The Secretary shall restore entitlement to all housing loan benefits under this chapter for

the veteran when the conditions prescribed in section 3702(b) of this title have been met.

(c)(1) Loans for any of the purposes authorized by subsection (a) of this section shall be submitted to the Secretary for approval prior to the closing of the loan, except that the Secretary may exempt any lender of a class listed in section 3702(d) of this title from compliance with such prior approval requirement if the Secretary determines that the experience of such lender or class of lenders in manufactured home financing warrants such exemption.

(2) Upon determining that a loan submitted for prior approval is eligible for guaranty for purposes specified in this section, the Secretary shall issue a commitment to guarantee such loan and shall thereafter guarantee the loan when made if such loan qualifies therefor in all respects.

(3)(A) The Secretary's guaranty may not exceed the lesser of (i) the lesser of \$20,000 or 40 percent of the loan, or (ii) the maximum amount of the guaranty entitlement available to the veteran as specified in paragraph (4) of this subsection.

(B) A claim under the Secretary's guaranty shall, at the election of the holder of a loan, be made by the filing of an accounting with the Secretary—

(i) within a reasonable time after the receipt by such holder of an appraisal by the Secretary of the value of the security for the loan; or

(ii) after liquidation of the security for the loan.

(C) If the holder of a loan applies for payment of a claim under clause (i) of subparagraph (B) of this paragraph, the amount of such claim payable by the Secretary shall be the lesser of—

(i) the amount equal to the excess, if any, of the total indebtedness over the amount of the appraisal referred to in such clause; or

(ii) the amount equal to the guaranty under this section.

(D) If the holder of a loan files for payment of a claim under clause (ii) of subparagraph (B) of this paragraph, the amount of such claim payable by the Secretary shall be the lesser of—

(i) the amount equal to the excess, if any, of the total indebtedness over the greater of the value of the property securing the loan, as determined by the Secretary, or the amount of the liquidation or resale proceeds; or

(ii) the amount equal to the guaranty under this section.

(E) In any accounting filed pursuant to subparagraph (B)(ii) of this paragraph, the Secretary shall permit to be included therein accrued unpaid interest from the date of the first uncured default to such cutoff date as the Secretary may establish, and the Secretary shall allow the holder of the loan to charge against the liquidation or resale proceeds accrued interest from the cutoff date established to such further date as the Secretary may determine and such costs and expenses as the Secretary determines to be reasonable and proper.

(F) The liability of the United States under the guaranty provided for by this paragraph shall decrease or increase pro rata with any de-

crease or increase of the amount of the unpaid portion of the obligation.

(4) The maximum amount of guaranty entitlement available to a veteran for purposes specified in this section shall be \$20,000 reduced by the amount of any such entitlement previously used by the veteran. Use of entitlement for purposes specified in section 3710 or 3711 of this title shall reduce entitlement available for use for purposes specified in this section to the same extent that entitlement available for purposes specified in such section 3710 is reduced below \$20,000.

(5) The amount of any loan guaranteed for purposes specified in this section shall not exceed an amount equal to 95 percent of the purchase price of the property securing the loan.

(d)(1) The maturity of any loan guaranteed for purposes specified in this section shall not be more than—

(A) fifteen years and thirty-two days, in the case of a loan for the purchase of a lot;

(B) twenty years and thirty-two days, in the case of a loan for the purchase of—

(i) a single-wide manufactured home; or

(ii) a single-wide manufactured home and a lot;

(C) twenty-three years and thirty-two days, in the case of a loan for the purchase of a double-wide manufactured home; or

(D) twenty-five years and thirty-two days, in the case of a loan for the purchase of a double-wide manufactured home and a lot.

(2) Nothing in paragraph (1) of this subsection shall preclude the Secretary, under regulations which the Secretary shall prescribe, from consenting to necessary advances for the protection of the security or the holder's lien, to a reasonable extension of the term of such loan, or to a reasonable reamortization of such loan.

(e) No loan shall be guaranteed for purposes specified in this section unless—

(1) the loan is repayable in approximately equal monthly installments;

(2) the terms of repayment bear a proper relationship to the veteran's present and anticipated income and expenses, and the veteran is a satisfactory credit risk, as determined in accordance with the regulations prescribed under section 3710(g) of this title and taking into account the purpose of this program to make available lower cost housing to low and lower income veterans, especially those who have been recently discharged or released from active military, naval, air, or space service, who may not have previously established credit ratings;

(3) the loan is secured by a first lien on the manufactured home purchased with the proceeds of the loan and on any lot acquired or improved with the proceeds of the loan;

(4) the amount of the loan to be paid by the veteran is not in excess of the amount determined to be reasonable, based upon—

(A) with respect to any portion of the loan to purchase a new manufactured home, such cost factors as the Secretary considers proper to take into account;

(B) with respect to any portion of the loan to purchase a used manufactured home, the

reasonable value of the property, as determined by the Secretary;

(C) with respect to any portion of the loan to purchase a lot, the reasonable value of such lot, as determined by the Secretary; and

(D) with respect to any portion of the loan to cover the cost of necessary site preparation, an appropriate amount, as determined by the Secretary;

(5) the veteran certifies, in such form as the Secretary shall prescribe, that the veteran will personally occupy the property as the veteran's home; except that the requirement of this clause shall not apply (A) in the case of a guaranteed loan that is for the purpose described in paragraph (1)(F) of subsection (a), or (B) in the case described in section 3704(c)(2);

(6) the manufactured home is or will be placed on a site which meets specifications which the Secretary shall establish by regulation; and

(7) the interest rate to be charged on the loan does not exceed the permissible rate established by the Secretary.

(f) The Secretary shall establish such rate of interest for manufactured home loans and manufactured home lot loans as the Secretary determines to be necessary in order to assure a reasonable supply of manufactured home loan financing for veterans for purposes specified in this section.

(g) The Secretary shall promulgate such regulations as the Secretary determines to be necessary or appropriate in order to fully implement the provisions of this section, and such regulations may specify which provisions in other sections of this chapter the Secretary determines should be applicable to loans guaranteed or made for purposes specified in this section. The Secretary shall have such powers and responsibilities in respect to matters arising under this section as the Secretary has in respect to loans made or guaranteed or under other sections of this chapter.

(h)(1) No loan for the purchase of a manufactured home shall be guaranteed for purposes specified in this section unless the manufactured home and lot, if any, meet or exceed standards for planning, construction, and general acceptability as prescribed by the Secretary and no loan for the purchase of a lot on which to place a manufactured home owned by a veteran shall be guaranteed for purposes specified in this section unless the lot meets such standards prescribed for manufactured home lots. Such standards shall be designed to encourage the maintenance and development of sites for manufactured homes which will be attractive residential areas and which will be free from, and not substantially contribute to, adverse scenic or environmental conditions.

(2) Any manufactured housing unit properly displaying a certification of conformity to all applicable Federal manufactured home construction and safety standards pursuant to section 616 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5415) shall be deemed to meet the standards required by paragraph (1).

(i) The Secretary shall require the manufacturer to become a warrantor of any new manufactured home which is approved for purchase with financing through the assistance of this chapter and to furnish to the purchaser a written warranty in such form as the Secretary shall require. Such warranty shall include (1) a specific statement that the manufactured home meets the standards prescribed by the Secretary pursuant to the provisions of subsection (h) of this section; and (2) a provision that the warrantor's liability to the purchaser or owner is limited under the warranty to instances of substantial nonconformity to such standards which become evident within one year from date of purchase and as to which the purchaser or owner gives written notice to the warrantor not later than ten days after the end of the warranty period. The warranty prescribed herein shall be in addition to, and not in derogation of, all other rights and privileges which such purchaser or owner may have under any other law or instrument and shall so provide in the warranty document.

(j) Subject to notice and opportunity for a hearing, the Secretary is authorized to deny guaranteed or direct loan financing in the case of—

(1) manufactured homes constructed by a manufacturer who fails or is unable to discharge the manufacturer's obligations under the warranty;

(2) manufactured homes which are determined by the Secretary not to conform to the standards provided for in subsection (h); or

(3) a manufacturer of manufactured homes who has engaged in procedures or practices determined by the Secretary to be unfair or prejudicial to veterans or the Government.

(k) Subject to notice and opportunity for a hearing, the Secretary may refuse to approve as acceptable any site in a manufactured home park or subdivision owned or operated by any person whose rental or sale methods, procedures, requirements, or practices are determined by the Secretary to be unfair or prejudicial to veterans renting or purchasing such sites. The Secretary may also refuse to guarantee or make direct loans for veterans to purchase manufactured homes offered for sale by any dealer if substantial deficiencies have been discovered in such homes, or if the Secretary determines that there has been a failure or indicated inability of the dealer to discharge contractual liabilities to veterans, or that the type of contract of sale or methods, procedures, or practices pursued by the dealer in the marketing of such properties have been unfair or prejudicial to veteran purchasers.

(l) The provisions of sections 3704(d) and 3721 of this title shall be fully applicable to lenders making guaranteed manufactured home loans and manufactured home lot loans and holders of such loans.

(Added Pub. L. 91-506, § 5, Oct. 23, 1970, 84 Stat. 1110, §1819; amended Pub. L. 93-569, § 5, Dec. 31, 1974, 88 Stat. 1864; Pub. L. 94-324, §§ 5, 7(20)-(23), June 30, 1976, 90 Stat. 720, 722; Pub. L. 95-476, title I, §107, Oct. 18, 1978, 92 Stat. 1500; Pub. L. 96-385, title IV, §§ 401(b), 402(c), Oct. 7, 1980, 94

Stat. 1532, 1533; Pub. L. 97-66, title V, §503, Oct. 17, 1981, 95 Stat. 1032; Pub. L. 97-72, title III, §303(h), (i), Nov. 3, 1981, 95 Stat. 1060; Pub. L. 97-295, §4(66), Oct. 12, 1982, 96 Stat. 1310; Pub. L. 97-306, title IV, §406(a), (c)(2), Oct. 14, 1982, 96 Stat. 1444, 1445; Pub. L. 98-223, title II, §205(b), Mar. 2, 1984, 98 Stat. 43; Pub. L. 99-576, title IV, §402(c)(2), Oct. 28, 1986, 100 Stat. 3281; Pub. L. 100-198, §§ 3(b), 7(b), 8(b), Dec. 21, 1987, 101 Stat. 1315, 1318, 1320; Pub. L. 100-253, §3(b), Feb. 29, 1988, 102 Stat. 20; renumbered §1812 and amended Pub. L. 100-322, title IV, §415(b)(4), May 20, 1988, 102 Stat. 551; Pub. L. 101-237, title III, §313(b)(1), (7), Dec. 18, 1989, 103 Stat. 2077; Pub. L. 101-508, title VIII, §8031(a), Nov. 5, 1990, 104 Stat. 1388-348; Pub. L. 102-54, §14(c)(8), June 13, 1991, 105 Stat. 285; renumbered §3712 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(v), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403, 406; Pub. L. 102-547, §6(2), Oct. 28, 1992, 106 Stat. 3636; Pub. L. 103-446, title IX, §906, title XII, §1201(e)(14), Nov. 2, 1994, 108 Stat. 4677, 4685; Pub. L. 104-66, title I, §1141(b), Dec. 21, 1995, 109 Stat. 726; Pub. L. 116-283, div. A, title IX, §926(a)(48), Jan. 1, 2021, 134 Stat. 3830.)

Editorial Notes

AMENDMENTS

2021—Subsec. (e)(2). Pub. L. 116-283 substituted “air, or space service” for “or air service”.

1995—Subsecs. (l), (m). Pub. L. 104-66 redesignated subsec. (m) as (l) and struck out former subsec. (l) which read as follows: “The Secretary's annual report to Congress shall include a report on operations under this section, including experience with compliance with the warranty required by subsection (i) and the experience regarding defaults and foreclosures.”

1994—Subsec. (c)(3)(D). Pub. L. 103-446, §1201(e)(14)(A)(i), inserted “of” after “subparagraph (B)” in introductory provisions.

Subsec. (c)(3)(E). Pub. L. 103-446, §1201(e)(14)(A)(ii), substituted “subparagraph (B)(ii) of this paragraph” for “subparagraph (B)(ii) of this subsection”.

Subsec. (h)(2). Pub. L. 103-446, §906(a), amended par. (2) generally. Prior to amendment, par. (2) required the Secretary to inspect the manufacturing process of manufacturers of manufactured homes sold to veterans and provided for the delegation of that function to the Secretary of Housing and Urban Development.

Subsec. (j). Pub. L. 103-446, §906(b), substituted “in the case of—” and pars. (1) to (3) for “in the case of manufactured homes constructed by any manufacturer who refuses to permit the inspections provided for in subsection (h) of this section; or in the case of manufactured homes which are determined by the Secretary not to conform to the aforesaid standards; or where the manufacturer of manufactured homes fails or is unable to discharge the manufacturer's obligations under the warranty.”

Subsec. (l). Pub. L. 103-446, §906(c), struck out “the results of inspections required by subsection (h) of this section,” after “including” and “of this section” after “subsection (i)”.

Subsec. (m). Pub. L. 103-446, §1201(e)(14)(B), substituted “sections 3704(d) and 3721 of this title” for “section 3704(d) and section 3721 of this chapter”.

1992—Subsec. (a)(4)(A)(iv). Pub. L. 102-547 amended cl. (iv) generally. Prior to amendment, cl. (iv) read as follows: “the amount of the guaranty of the loan may not exceed the original guaranty amount of the loan being refinanced;”

1991—Pub. L. 102-83, §5(a), renumbered section 1812 of this title as this section.

Subsec. (a)(4)(A)(iii). Pub. L. 102-83, §5(c)(1), substituted “3703(c)(3)(A)” for “1803(c)(3)(A)”.

Subsec. (a)(4)(B). Pub. L. 102-83, §5(c)(1), substituted “3702(b)” for “1802(b)”.

Pub. L. 102-83, §4(a)(2)(A)(v), substituted "Secretary" for "Veterans' Administration".

Subsec. (a)(5)(A). Pub. L. 102-83, §5(c)(1), substituted "3710(a)(9)(B)(ii)" for "1810(a)(9)(B)(ii)" in introductory provisions, "3704(c)(2)" for "1804(c)(2)" in cl. (i), and "3703(c)(3)(E)" for "1803(c)(3)(E)" in cl. (ii)(IV).

Subsec. (a)(5)(B). Pub. L. 102-83, §5(c)(1), substituted "3710(a)(9)(B)(ii)" for "1810(a)(9)(B)(ii)" and "3702(b)" for "1802(b)".

Pub. L. 102-83, §4(a)(2)(A)(v), substituted "Secretary" for "Veterans' Administration".

Subsec. (b)(2). Pub. L. 102-83, §5(c)(1), substituted "3702(b)" for "1802(b)".

Subsec. (c)(1). Pub. L. 102-83, §5(c)(1), substituted "3702(d)" for "1802(d)".

Subsec. (c)(4). Pub. L. 102-83, §5(c)(1), substituted "3710 or 3711" for "1810 or 1811" and "3710" for "1810".

Subsec. (c)(5). Pub. L. 102-54, §14(c)(8)(A), substituted "for purposes specified in this section" for "under this section".

Subsec. (e)(2). Pub. L. 102-83, §5(c)(1), substituted "3710(g)" for "1810(g)".

Subsec. (e)(5). Pub. L. 102-83, §5(c)(1), substituted "3704(c)(2)" for "1804(c)(2)".

Subsec. (l). Pub. L. 102-54, §14(c)(8)(B), struck out ", beginning 12 months following October 23, 1970," after "shall".

Subsec. (m). Pub. L. 102-83, §5(c)(1), substituted "3704(d)" for "1804(d)" and "3721" for "1821".

1990—Subsec. (c)(3). Pub. L. 101-508 amended par. (3) generally. Prior to amendment, par. (3) read as follows: "The Secretary'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 as specified in paragraph (4) of this subsection. Payment of a claim under such guaranty shall be made only after liquidation of the security for the loan and the filing of an accounting with the Secretary. In any such accounting the Secretary shall permit to be included therein accrued unpaid interest from the date of the first uncured default to such cutoff date as the Secretary may establish, and the Secretary shall allow the holder of the loan to charge against the liquidation or resale proceeds, accrued interest from the cutoff date established to such further date as the Secretary may determine and such costs and expenses as the Secretary determines to be reasonable and proper. The liability of the United States under the guaranty provided for by this section shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation."

1989—Subsecs. (a) to (h)(2)(A). Pub. L. 101-237, §313(b)(1), substituted "Secretary" and "Secretary's" for "Administrator" and "Administrator's", respectively, wherever appearing.

Subsec. (h)(2)(B). Pub. L. 101-237, §313(b)(7), substituted "Secretary of Housing and Urban Development pursuant" for "Secretary pursuant" and substituted "Secretary of Veterans Affairs" for "Administrator" wherever appearing.

Subsecs. (i) to (l). Pub. L. 101-237, §313(b)(1), substituted "Secretary" and "Secretary's" for "Administrator" and "Administrator's", respectively, wherever appearing.

1988—Pub. L. 100-322, §415(b)(4)(C), renumbered section 1819 of this title as this section.

Subsecs. (a)(4)(C), (b)(1), (c)(2). Pub. L. 100-322, §415(b)(4)(A), substituted "for purposes specified in this section" for "under this section".

Subsec. (c)(3). Pub. L. 100-322, §415(b)(4)(B)(i), inserted "as specified in paragraph (4) of this subsection" before period at end.

Pub. L. 100-253, §3(b)(1), substituted "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" for "40 percent of the loan, or \$20,000, whichever is less, 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".

Subsec. (c)(4). Pub. L. 100-322, §415(b)(4)(A), (B)(ii), (iii), substituted "for purposes specified in this section" for "under this section" in two places, "for purposes specified in section 1810" for "under section 1810", and "for purposes specified in such section 1810" for "under such section 1810".

Pub. L. 100-253, §3(b)(2), substituted "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" for "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 such loan".

Subsec. (c)(5). Pub. L. 100-253, §3(b)(3), added par. (5). Subsecs. (d)(1), (e) to (g), (h)(1). Pub. L. 100-322, §415(b)(4)(A), substituted "for purposes specified in this section" for "under this section".

1987—Subsec. (a)(4)(A)(ii). Pub. L. 100-198, §7(b)(1), struck out "and such manufactured home (or a manufactured home on such lot) must be owned and occupied by the veteran as such veteran's home" before semicolon at end.

Subsec. (a)(4)(A)(vi). Pub. L. 100-198, §7(b)(2)-(4), added cl. (vi).

Subsec. (a)(5)(A)(i). Pub. L. 100-198, §8(b)(1), inserted "(except as provided in section 1804(c)(2) of this title)" after "by the veteran".

Subsec. (c)(3). Pub. L. 100-198, §3(b)(1), amended first sentence generally. Prior to amendment, first sentence read as follows: "The Administrator's guaranty may not exceed the lesser of 50 per centum of the loan amount or the maximum loan guaranty entitlement available, not to exceed \$20,000."

Subsec. (c)(4). Pub. L. 100-198, §3(b)(2), amended first sentence generally. Prior to amendment, first sentence read as follows: "The amount of guaranty entitlement available to a veteran under this section shall not be more than \$20,000, less the amount of any such entitlement as may have been used under this section."

Subsec. (e)(5). Pub. L. 100-198, §8(b)(2), inserted before semicolon at end "; except that the requirement of this clause shall not apply (A) in the case of a guaranteed loan that is for the purpose described in paragraph (1)(F) of subsection (a), or (B) in the case described in section 1804(c)(2)".

1986—Subsec. (e)(2). Pub. L. 99-576 inserted "as determined in accordance with the regulations prescribed under section 1810(g) of this title and" after "credit risk".

1984—Subsec. (a)(5). Pub. L. 98-223 inserted "or section 1810(a)(9)(B)(ii) of this title" after "paragraph (1)(G) of this subsection" in two places.

1982—Pub. L. 97-306, §406(c)(2)(C), substituted "Loans to purchase manufactured homes and lots" for "Loans to purchase mobile homes and mobile home lots" in section catchline.

Subsec. (a)(1)(A) to (E). Pub. L. 97-306, §406(c)(2)(A), substituted "manufactured" for "mobile" wherever appearing.

Subsec. (a)(1)(G). Pub. L. 97-306, §406(a)(1), added cl. (G).

Subsec. (a)(2). Pub. L. 97-306, §406(a)(2), (c)(2)(A), inserted "(other than the refinancing under clause (F) of such paragraph of an existing loan)" after "subsection" and substituted "manufactured" for "mobile".

Subsec. (a)(3). Pub. L. 97-306, §406(a)(3), (c)(2)(A), substituted "(C), (E), or (G)" for "(C) or (E)", and "manufactured" for "mobile".

Subsec. (a)(4)(A)(ii). Pub. L. 97-306, §406(c)(2)(A), (B), substituted "manufactured" for "mobile", wherever appearing and "manufactured-home" for "mobile-home" wherever appearing.

Subsec. (a)(5). Pub. L. 97-306, §406(a)(4), added par. (5).

Subsecs. (b)(1), (c)(1), (d)(1)(B), (C), (D), (e)(3), (4)(A), (B), (6), (f), (h) to (k). Pub. L. 97-306, §406(c)(2)(A), substituted "manufactured" for "mobile" wherever appearing.

Subsec. (l). Pub. L. 97-295 substituted "October 23, 1970" for "the date of enactment of the Veterans' Housing Act of 1970".

Subsec. (m). Pub. L. 97-306, § 406(c)(2)(A), substituted "manufactured" for "mobile" wherever appearing.

1981—Subsec. (a)(1). Pub. L. 97-72, § 303(h), substituted "housing loan benefits" for "benefits".

Subsec. (b)(2). Pub. L. 97-72, § 303(i), substituted "housing loan benefits" for "loan guaranty benefits".

Subsec. (d)(1). Pub. L. 97-66 increased from 15 years, 32 days to 20 years, 32 days the allowable maturity of a loan for purchase of a single-wide mobile home or a single-wide mobile home and a lot, from 20 years, 32 days to 23 years, 32 days the allowable maturity of a loan for purchase of a double-wide mobile home, and from 20 years, 32 days to 25 years, 32 days the allowable maturity of a loan for purchase of a double-wide mobile home and a lot.

1980—Subsec. (a)(1)(F). Pub. L. 96-385, § 401(b)(1), added cl. (F).

Subsec. (a)(4). Pub. L. 96-385, § 401(b)(2), added par. (4).

Subsec. (c)(3), (4). Pub. L. 96-385, § 402(c), substituted "\$20,000" for "\$17,500" once in par. (3) and twice in par. (4).

1978—Subsec. (a). Pub. L. 95-476, § 107(a), substituted provisions that loans to eligible veterans could be guaranteed if such loans were for certain approved purposes, that such loans for any approved purpose could include an amount determined by the Administrator to be appropriate to cover the cost of necessary lot preparation, and that any loan under cls. (C) or (E) of par. (1) were to be considered one loan, evidenced either by a single instrument or separate instruments for the portions of the loan financing the purchase of the mobile home and the purchase and preparation of the lot for provision that any eligible veteran who had maximum entitlement available for use would be eligible for either the mobile home loan guaranty benefit or the mobile home lot loan guaranty benefit or both but that use of either would preclude use of any home loan guaranty entitlement under any other section until the loan guaranteed under this section had been paid in full.

Subsec. (b)(1). Pub. L. 95-476, § 107(a), substituted provision that use of benefit entitlement under this section for purchase of a mobile home unit would preclude use of any remainder of entitlement for purchase of an additional mobile home unit until the first unit had been disposed of or destroyed by natural hazard for provision that a loan to purchase a mobile home under this section could include amounts to finance purchase of lot and necessary preparation of lot.

Subsec. (b)(2). Pub. L. 95-476, § 107(a), substituted provision authorizing Administrator to restore full benefit entitlement to a veteran under this chapter when conditions prescribed in section 1802(b) of this title had been met for provision authorizing loans to purchase and prepare a mobile home lot when veteran already owned such a mobile home.

Subsec. (c)(1). Pub. L. 95-476, § 107(b)(1), struck out provisions relating to eligible purposes of mobile home loans under this section.

Subsec. (c)(3). Pub. L. 95-476, § 107(b)(2), substituted provision limiting liability of Administrator under loan guaranty to a maximum of lesser of 50 per centum of loan amount or maximum loan guaranty entitlement available, not to exceed \$17,500, for provision limiting Administrator's guaranty to a maximum of 50 per centum of loan amount.

Subsec. (c)(4). Pub. L. 95-476, § 107(b)(3), added par. (4).

Subsec. (d). Pub. L. 95-476, § 107(c), struck out provisions establishing maximum loan amounts for guaranteed mobile home loans and increased maturity for single-wide mobile home loans and lot-only loans from 12 years and 32 days to 15 years and 32 days.

Subsec. (e)(4). Pub. L. 95-476, § 107(d), substituted provisions authorizing Administrator to determine reasonable maximum loan amounts for purchase of new or used mobile homes and purchase and preparation of mobile home lots for provision requiring, as a condition to guaranty, that loans not exceed certain maximum loan amounts for such purchases or preparation.

Subsec. (g). Pub. L. 95-476, § 107(e), redesignated subsec. (h) as (g). Former subsec. (g), limiting to a single

time the restoration of loan guaranty entitlement for any veteran for the purchase of a mobile home, was struck out.

Subsec. (h)(1). Pub. L. 95-476, § 107(e), (f), redesignated subsec. (i) as (h)(1) and struck out provision authorizing the Administrator to inspect the mobile home manufacturing process periodically as well as on-site inspections of existing mobile home units to assure compliance with certain standards of planning, construction, and general acceptability. Former subsec. (h) redesignated (g).

Subsec. (h)(2). Pub. L. 95-476, § 107(f), added par. (2).

Subsec. (i). Pub. L. 95-476, § 107(e), (g)(1), redesignated subsec. (j) as (i) and substituted "subsection (h)" for "subsection (i)". Former subsec. (i) redesignated (h).

Subsec. (j). Pub. L. 95-476, § 107(e), (g)(1), redesignated subsec. (k) as (j) and substituted "subsection (h)" for "subsection (i)". Former subsec. (j) redesignated (i).

Subsec. (k). Pub. L. 95-476, § 107(e), redesignated subsec. (l) as (k). Former subsec. (k) redesignated (j).

Subsec. (l). Pub. L. 95-476, § 107(e), (g), redesignated subsec. (m) as (l) and substituted "subsection (h)" and "subsection (i)" for "subsection (i)" and "subsection (j)", respectively. Former subsec. (l) redesignated (k).

Subsecs. (m), (n). Pub. L. 95-476, § 107(e), redesignated subsec. (n) as (m). Former subsec. (m) redesignated (l).

1976—Subsec. (c)(1). Pub. L. 94-324, § 7(20), substituted "the Administrator determines" for "he determines".

Subsec. (c)(3). Pub. L. 94-324, §§ 5, 7(20), increased amount of Administrator's guaranty from 30 per centum of the loan to 50 per centum of the loan and substituted "the Administrator" for "he" wherever appearing.

Subsec. (d)(1). Pub. L. 94-324, § 7(21), substituted "the Administrator's" for "his".

Subsec. (d)(3). Pub. L. 94-324, § 7(21), substituted "the Administrator shall" for "he shall".

Subsec. (e)(4). Pub. L. 94-324, § 7(22), substituted "subsection" for "subparagraph".

Subsec. (e)(5). Pub. L. 94-324, § 7(22), substituted "the veteran will" for "he will" and "the veteran's" for "his".

Subsec. (f). Pub. L. 94-324, § 7(23), substituted "the Administrator determines" for "he determines".

Subsec. (h). Pub. L. 94-324, § 7(23), substituted "the Administrator determines" for "he determines" in two places and "the Administrator has" for "he has".

Subsec. (k). Pub. L. 94-324, § 7(23), substituted "the manufacturer's obligations" for "his obligations".

Subsec. (l). Pub. L. 94-324, § 7(23), substituted "the Administrator determines" for "he determines".

1974—Subsec. (a). Pub. L. 93-569, § 5(1), inserted "or the mobile home lot loan guaranty benefit, or both," after "loan guaranty benefit" wherever appearing, and struck out "mobile home" before "loan guaranteed under this section".

Subsec. (b)(1). Pub. L. 93-569, § 5(2), designated existing provisions as subsec. (b)(1) and redesignated cls. (1) and (2) as (A) and (B), respectively.

Subsec. (b)(2). Pub. L. 93-569, § 5(2), added par. (2).

Subsec. (c)(1). Pub. L. 93-569, § 5(3), (4), redesignated cls. (1) and (2) as (A) and (B), respectively, and in cl. (A) as so redesignated, inserted provision relating to purchase of a lot on which to place a mobile home previously purchased by the veteran, whether or not such mobile home was purchased with a loan guaranteed, insured or made by another Federal agency, and substituted "or for the purchase of a used mobile home which meets or exceeds minimum requirements for construction, design, and general acceptability prescribed by the Administrator," for "or for the purchase of a used mobile home which is the security for a prior loan guaranteed or made under this section or for a loan guaranteed, insured or made by another Federal agency."

Subsec. (d)(1). Pub. L. 93-569, § 5(5), substituted "whether or not the mobile home was financed with assistance under this section, and in the case of necessary site preparation, the loan amount for such purposes may not exceed the reasonable value of such lot"

for "financed through the assistance of this section and in the case of necessary site preparation, the loan amount shall not be increased by an amount in excess of the reasonable value of such lot".

Subsec. (d)(2)(A). Pub. L. 93-569, §5(6), substituted "\$12,500" for "\$10,000," and "single wide mobile home only" for "mobile home only,".

Subsec. (d)(2)(B). Pub. L. 93-569, §5(6), increased from \$15,000 to \$20,000, and from fifteen years and thirty-two days to twenty years and thirty-two days the amount and period of the loan, struck out the \$10,000 maximum allowable amount for the mobile home, and restricted the amount of the loan to the purchase of a double-wide mobile home instead of a mobile home and undeveloped lot.

Subsec. (d)(2)(C). Pub. L. 93-569, §5(6), substituted "\$20,000" for "\$17,500," "\$12,500" for "\$10,000," "single-wide mobile home" for "mobile home" and "an undeveloped lot" for "a suitably developed lot," and inserted provision including such amount as is appropriate to cover cost of site preparation.

Subsec. (d)(2)(D) to (H). Pub. L. 93-569, §5(6), added subpars. (D) to (H).

Subsec. (e)(3). Pub. L. 93-569, §5(7), inserted "purchased with the proceeds of the loan and on" after "mobile home".

Subsec. (f). Pub. L. 93-569, §5(8), inserted "and mobile home lot loans" after "loans".

Subsec. (i). Pub. L. 93-569, §5(9), inserted provision prohibiting the guarantee of a loan for the purchase of a lot on which to place a mobile home unless the lot meets prescribed standards.

Subsec. (n). Pub. L. 93-569, §5(10), inserted "and mobile home lot loans" after "mobile home loans".

Subsec. (o). Pub. L. 93-569, §5(11), struck out subsec. (o) which prohibited the making or guaranteeing of loans on and after July 1, 1975, except upon prior commitment.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-508, title VIII, §8031(b), Nov. 5, 1990, 104 Stat. 1388-348, provided that: "The amendment made by this section [amending this section] shall apply to claims filed with the Secretary of Veterans Affairs on or after the date of the enactment of this Act [Nov. 5, 1990]."

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-253 applicable to loans closed on or after Feb. 1, 1988, except for loans for which guaranty commitment was made on or before Dec. 31, 1987, see section 3(c) of Pub. L. 100-253, set out as a note under section 3703 of this title.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by section 3(b) 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.

Amendment by section 7(b) of Pub. L. 100-198 applicable to loans made more than 30 days after Dec. 21, 1987, see section 7(d) of Pub. L. 100-198, set out as a note under section 3710 of this title.

Amendment by section 8(b) 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 1981 AMENDMENTS

Amendment by Pub. L. 97-72 effective at end of 180-day period beginning on Nov. 3, 1981, see section 305 of Pub. L. 97-72, set out as an Effective Date note under section 3741 of this title.

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by sections 401(b) and 402(c) 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 5 and 7(20)-(23) of Pub. L. 94-324 effective July 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

Pub. L. 91-506, §8, Oct. 23, 1970, 84 Stat. 1114, provided that: "Section 5 of this Act [enacting this section] shall become effective sixty days following the date of enactment [Oct. 23, 1970]."

§ 3713. Release from liability under guaranty

(a) Whenever any veteran disposes of residential property securing a guaranteed, insured, or direct housing loan obtained by the veteran, the Secretary, 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 the veteran of all further liability to the Secretary 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 Secretary has determined, after such investigation as the Secretary may deem appropriate, that (1) the loan is current, and (2) the purchaser of such property from such veteran (A) is obligated 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 the transferee were a veteran eligible for purposes specified in section 3710 of this title, for a guaranteed or insured or direct loan in an amount equal to the unpaid balance of the obligation for which the transferee has assumed liability.

(b) If any veteran disposes of residential property securing a guaranteed, insured, or direct housing loan obtained by the veteran under this chapter without receiving a release from liability with respect to such loan under subsection (a), and a default subsequently occurs which results in liability of the veteran to the Secretary on account of the loan, the Secretary may relieve the veteran of such liability if the Secretary determines, after such investigation as the Secretary deems appropriate, that the property was disposed of by the veteran in such a manner, and subject to such conditions, that the Secretary would have issued the veteran a release from liability under subsection (a) with re-