

DECEMBER 31, 1974

Office of the White House Press Secretary  
(Vail, Colorado)

---

NOTICE TO THE PRESS

The President has signed H. R. 15912 - The Veterans Housing Act of 1974 which increases the maximum VA guaranteed loan amounts on regular and mobile homes and the maximum grant for the specially adapted housing program; makes permanent and expands the VA mobile home loan guaranty program; expands VA's authority to guarantee loans for the purchase of condominium units; repeals the VA farms and business loan programs; and makes a number of technical changes in the VA home loan program.

Major Provisions of H. R. 15912

Home loan program -- The bill increases the maximum loan guaranty amount from \$12,500 to \$17,500, in recognition of the increase in the prices of homes and the size of loans being processed since 1968, when the present maximum was set.

H. R. 15912 also expands the criteria under which VA may restore a veteran's previously-used entitlement to loan guaranty benefits and restores loan guaranty benefit entitlement to the veteran seller of the home if his or her previously guaranteed loan is assumed by an eligible veteran buyer who consents to the use of his or her entitlement in assuming the loan.

The bill, in addition, permits currently unsupervised lenders, such as mortgage companies and other consumer credit finance companies, to close on loans automatically, without having to submit them to VA for prior approval. Under existing law, only supervised lenders such as banks and savings and loan institutions have the privilege of automatic processing.

Other amendments to the home loan program are provided in H. R. 15912, such as (1) permitting veterans to pay discounts on loans under specified circumstances when there is no seller or the seller is legally precluded from paying a discount and (2) expanding VA's authority to suspend a builder, lender, or broker based on disciplinary action taken by HUD.

Mobile homes -- H. R. 15912 repeals the provision in present law terminating the mobile home program on July 1, 1975, and amends present law relating to loans to purchase mobile homes and mobile home lots in the following major ways:

(MORE)

- increase from \$10,000 to \$12,500 the maximum loan guarantee for single-wide mobile home loans and increase from \$17,500 to \$20,000 the maximum loan guarantee for a single-wide mobile home with a lot.
- increase the maximum loan guarantee for a double-wide mobile home from \$15,000 to \$20,000 and extend the maturity for such a loan from 15 years to 20 years; establish a maximum loan guarantee of \$27,500 for a double-wide mobile home with a lot.
- extend the loan guaranty program for the first time to loans for the purchase of a mobile home lot only.
- authorize VA to guarantee loans on all used mobile homes which meet VA minimum requirements for construction, design and general acceptability. Under present law, VA-guaranteed loans can be made only on used mobile homes with an outstanding loan guaranteed or insured by VA or another Federal agency.

Specially adapted housing grants -- The bill increases from \$17,500 to \$25,000 the maximum grant VA could make for specially adapted housing for certain disabled veterans -- principally service-disabled quadriplegics, paraplegics, and amputees -- in view of the increased cost of specially adapted housing since the present rate was set in 1969.

Condominium -- Since 1970, VA has had authority to guarantee loans for veterans to purchase one-family condominium units in projects in which HUD has insured at least one loan. The bill rewrites this authority to permit VA guarantees on loans to buy one-family condominium units in any new building or a building originally built and sold as a condominium.

Budget impact

VA estimates that the cost of the enrolled bill would be \$3.3 million in fiscal year 1975 and \$6.4 million in fiscal year 1976.

#

#

#