Public Law 95-476
95th Congress

An Act

To amend title 38, United States Code, to improve the housing benefits programs of the Veterans' Administration, to authorize the Administrator of Veterans' Affairs to pay an allowance to a State for expenses incurred in the burial of eligible veterans in cemeteries owned and operated by or for such State solely for the interment of veterans, to authorize a program of grant assistance to States for the establishment, expansion, and improvement of State veterans' cemeteries, and for other purposes.

Oct. 18, 1978
[H.R. 12028]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Housing Benefits Act of 1978".

Veterans' Housing Benefits Act of 1978.
38 USC 101 note.

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' HOUSING BENEFITS

ASSISTANCE FOR SPECIALLY ADAPTED HOUSING FOR CERTAIN DISABLED VETERANS

SEC. 101. Section 802 is amended by striking out "$25,000" and inserting in lieu thereof "$30,000".

38 USC 802.

BASIC ENTITLEMENT FOR HOME, CONDOMINIUM, AND MOBILE HOME LOANS

SEC. 102. (a) Subsection (a) of section 1802 is amended—

38 USC 1802.

(1) in the first sentence, by striking out "World War II or the Korean conflict" both places it appears and inserting in lieu thereof "World War II, the Korean conflict, or the Vietnam era"; and

(2) in the second sentence, by striking out "Entitlement" and all that follows through "World War II, has" and inserting in lieu thereof "In the case of any veteran who served on active duty during two or more of the periods specified in the preceding sentence, or in section 1818 of this title, for which eligibility for the benefits under this chapter may be granted, entitlement derived from service during the most recent such period (1) shall cancel any unused entitlement derived from service during any earlier such period, and (2) shall be reduced by the amount by which entitlement from service during any earlier such period has".

38 USC 1818.

(b) Subsection (b) of such section is amended—

38 USC 1802.

(1) in the first sentence, by inserting "(A)" after "(1)", redesignating clause (2) as subclause (B), and redesignating clause (3) as clause (2); and

(2) in the second sentence, by striking out "clauses (1) and (2) above" and inserting in lieu thereof "clause (1) of the preceding sentence".

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BASIC LOAN GUARANTY PROGRAM

38 USC 1803.

SEC. 103. (a) Subsection (a)(1) of section 1803 is amended by striking out "World War II or Korean conflict veteran" and inserting in lieu thereof "veteran eligible for benefits under this chapter".

(b) Subsection (c) of such section is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In establishing rates of interest under this paragraph for one or more of the purposes described in clauses (4) and (7) of section 1810(a) of this title, the Administrator may establish a rate or rates higher than the rate specified for other purposes under such section, but any such rate may not exceed such rate as the Administrator may from time to time find the loan market demands for loans for such purposes."; and

38 USC 1810.

(2) by striking out "section 1810(a)(4)" in paragraph (3)(B) and inserting in lieu thereof "clauses (4) and (7) of section 1810 (a) of this title".

PURPOSES FOR WHICH HOME LOANS MAY BE GUARANTEED

38 USC 1810.

SEC. 104. Section 1810 is amended—

(1) by striking out clause (6) in subsection (a) and inserting in lieu thereof the following new clause:

"(6) To purchase a one-family residential unit in a condominium housing development or project, if such development or project is approved by the Administrator under criteria which the Administrator shall prescribe in regulations.";

(2) by inserting after such clause the following new clause:

"(7) To improve a dwelling or farm residence owned by the veteran and occupied by the veteran as the veteran's home through the installation of a solar heating system, a solar heating and cooling system, or a combined solar heating and cooling system or through the application of a residential energy conservation measure."; and

Definitions.

(3) by adding at the end of such section the following new subsection:

"(d) For the purposes of subsection (a)(7) of this section:

"(1) The term 'solar heating' has the meaning given such term in section 3(1) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502(1)) and, in addition, includes a passive system based on conductive, convective, or radiant energy transfer.

"(2) The terms 'solar heating and cooling' and 'combined solar heating and cooling' have the meaning given such terms in section 3(2) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502(2)) and, in addition, include a passive system based on conductive, convective, or radiant energy transfer.

"(3) The term 'passive system' includes window and skylight glazing, thermal floors, walls, and roofs, movable insulation panels (when in conjunction with glazing), portions of a residential structure that serve as solar furnaces so as to add heat to the structure, double-pane window insulation, and such other energy-related components as are determined by the Administrator to enhance the natural transfer of energy for the purpose of heating or heating and cooling a residence.

"(4) The term 'residential energy conservation measure' means—

"(A) caulking and weatherstripping of all exterior doors and windows;

"(B) furnace efficiency modifications limited to—

"(i) replacement burners, boilers, or furnaces designed to reduce the firing rate or to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(ii) devices for modifying flue openings which will increase the efficiency of the heating system, and

"(iii) electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

"(C) clock thermostats;

"(D) ceiling, attic, wall, and floor insulation;

"(E) water heater insulation;

"(F) storm windows and doors;

"(G) heat pumps; and

"(H) such other energy conservation measures as the Administrator may identify for the purposes of this clause.".

AMOUNT OF VETERANS' ADMINISTRATION LOAN GUARANTIES AND DIRECT LOANS FOR PURCHASE OR CONSTRUCTION OF HOMES

SEC. 105. (a) Section 1810(c) is amended by striking out "$17,500" and inserting in lieu thereof "$25,000". 38 USC 1810.

(b)(1) Subparagraph (A) of section 1811(d)(2) is amended by striking out "$17,500" both places it appears and inserting in lieu thereof "$25,000". 38 USC 1811.

(2) Subparagraph (B) of such section is amended by striking out "specified by the Administrator" and all that follows in such subparagraph and inserting in lieu thereof "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 $17,500. The amount of the guaranty entitlement under section 1810(c) of this title of any veteran who is granted a loan under this section, or who before the date of the enactment of the Veterans' Housing Benefits Act of 1978 was granted a loan under this section, shall be charged with the amount that bears the same ratio to $17,500 as the amount of the loan bears to $33,000.".

ELIGIBILITY FOR HOME LOANS FOR VETERANS WHO SERVED AFTER JANUARY 31, 1955

SEC. 106. (a) Section 1818 is amended— 38 USC 1818.

(1) by inserting "and prior to August 5, 1964, or after May 7, 1975," in subsection (a) after "January 31, 1955,";

(2) by striking out "active duty after such date" in subsection (a)(3) and inserting in lieu thereof "such active duty";

(3) by inserting "the provisions of section 1802(a) of this title and" in subsection (a) after "subject to"; 38 USC 1802.

(4) by striking out subsection (b) and redesignating subsection (c) as subsection (b); and

(5) by striking out "**Veterans who serve after January 31, 1955**" in the catchline and inserting in lieu thereof "**Service after January 31, 1955, and prior to August 5, 1964, or after May 7, 1975**".

38 USC 1818.

(b) The item relating to section 1818 in the table of sections at the beginning of chapter 37 is amended to read as follows:

"1818. Service after January 31, 1955, and prior to August 5, 1964, or after May 7, 1975.".

MOBILE HOME AND MOBILE HOME LOT LOANS

38 USC 1819.

SEC. 107. (a) Subsections (a) and (b) of section 1819 are amended to read as follows:

"(a)(1) Notwithstanding any other provision of this chapter, any loan to a veteran eligible for the 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 mobile home already owned by the veteran.

"(B) To purchase a single-wide mobile home.

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

"(D) To purchase a double-wide mobile home.

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

"(2) A loan for any of the purposes described in paragraph (1) of this subsection may include an amount determined by the Administrator 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 mobile home.

"(3) Any loan made for the purposes described in clause (C) or (E) 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 mobile home, and (B) that portion of the loan which finances the purchase of the lot and the necessary preparation of such lot.

"(b)(1) Use of entitlement under this section for the purchase of a mobile home unit shall preclude the use of remaining entitlement for the purchase of an additional mobile 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 Administrator shall restore entitlement to all loan guaranty benefits under this chapter for the veteran when the conditions prescribed in section 1802(b) of this title have been met.".

38 USC 1802.

(b)(1) Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) Loans for any of the purposes authorized by subsection (a) of this section shall be submitted to the Administrator for approval prior to the closing of the loan, except that the Administrator may exempt any lender of a class listed in section 1802(d) of this title from compliance with such prior approval requirement if the Administrator determines that the experience of such lender or class of lenders in mobile home financing warrants such exemption.".

(2) Paragraph (3) of such subsection is amended by striking out the first sentence and inserting in lieu thereof the following new sentences: "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 $17,500. 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 Administrator.".

(3) Such subsection is further amended by adding at the end thereof the following new paragraph:

"(4) The amount of guaranty entitlement available to a veteran under this section shall not be more than $17,500, less the amount of any such entitlement as may have been used under this section. Use of entitlement under section 1810 or 1811 of this title shall reduce entitlement available for use under this section to the same extent that entitlement available under such section 1810 is reduced below $17,500.". 38 USC 1810, 1811.

(c) Subsection (d) of such section is amended to read as follows: 38 USC 1802.

"(d)(1) The maturity of any loan guaranteed under this section shall not be more than—

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

"(i) a lot;

"(ii) a single-wide mobile home; or

"(iii) a single-wide mobile home and a lot; or

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

"(i) a double-wide mobile home; or

"(ii) a double-wide mobile home and a lot.

"(2) Nothing in paragraph (1) of this subsection shall preclude the Administrator, under regulations which the Administrator 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.".

(d) Clause (4) of subsection (e) of such section is amended to read as follows:

"(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 mobile home, such cost factors as the Administrator considers proper to take into account;

"(B) with respect to any portion of the loan to purchase a used mobile home, the reasonable value of the property, as determined by the Administrator;

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

(e) Such section is further amended by striking out subsection (g) and by redesignating subsections (h), (i), (j), (k), (l), (m), and (n) as subsections (g), (h), (i), (j), (k), (l), and (m), respectively.

(f) Subsection (h) of such section (as redesignated by subsection (e) of this section) is amended (1) by inserting "(1)" before "No loan", (2) by striking out the third sentence of such subsection, and (3) by adding at the end thereof the following new paragraph:

"(2)(A) For the purpose of assuring compliance with the standards prescribed under paragraph (1) of this subsection, the Administrator shall from time to time inspect the manufacturing process of manufacturers of mobile homes sold to veterans utilizing assistance under this chapter. For the purpose stated in the preceding sentence and for Inspection.

the additional purpose of monitoring safety factors involved in the installation of mobile homes purchased through the utilization of assistance under this chapter, the Administrator shall from time to time conduct random onsite inspections of mobile homes purchased through the utilization of such assistance.

Delegation to HUD Secretary.

"(B) The Administrator may, with the agreement of the Secretary of Housing and Urban Development, delegate to the Secretary of Housing and Urban Development the duty of the Administrator under subparagraph (A) of this paragraph to inspect the manufacturing process of manufacturers of mobile homes, but any such delegation shall be subject to an agreement that the Secretary of Housing and Urban Development, upon the request of the Administrator, shall promptly provide the Administrator with the complete results of any inspection made by the Secretary pursuant to such delegation. The Administrator shall have the right to withdraw any delegation under the preceding sentence at any time and in whole or in part.".

(g)(1) Subsections (i), (j), and (l) of such section (as redesignated by subsection (e) of this section) are amended by striking out "subsection (i)" each place it appears and inserting in lieu thereof "subsection (h)".

(2) Subsection (l) of such section (as redesignated by subsection (e) of this section) is amended by striking out "subsection (j)" and inserting in lieu thereof "subsection (i)".

EFFECTIVE DATES

38 USC 1802 note.

SEC. 108. (a) Except as provided in subsection (b) of this section, the amendments made by this title shall take effect on October 1, 1978.

(b) The amendment made by clause (1) of section 104 of this title shall take effect on July 1, 1979, except with respect to the authority to prescribe regulations for the implementation of such amendment, which shall be effective on the date of the enactment of this Act.

TITLE II—MISCELLANEOUS PROVISIONS

EDUCATION LOAN PROGRAM ELIGIBILITY AND REPORTS ON DEFAULT EXPERIENCE

38 USC 1798.

SEC. 201. Section 1798 is amended—

(1) by inserting "and the criteria established under subsection (g) of this section" before the period at the end of subsection (a);

(2) in subsection (c)—

(A) by striking out "and" at the end of clause (1);

(B) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "and"; and

(C) by inserting after clause (2) the following new clause:

"(3) satisfies any criteria established under subsection (g) of this section.";

(3) in subsection (d)(1)—

(A) by inserting "(A)" before "over"; and

(B) by inserting a comma and "or (B) over such shorter period as the Administrator may have prescribed under subsection (g) of this section" after "such date";

(4) by striking out paragraph (3) of subsection (e) and inserting in lieu thereof the following:

Report to congressional committees.

"(3) The Administrator shall submit to the appropriate committees of the Congress not later than December 31 of each year a report on the

current results of the continuing review required by subsection (g)(1) of this section to be made regarding the default experience with respect to loans made under this section and any steps being taken to reduce default rates on such loans. Such report shall include in maximum feasible detail—

"(A) data regarding the cumulative default experience, and the default experience during the preceding fiscal year, with respect to such loans;

"(B) data regarding the default experience and default rate at each educational institution (i) with respect to loans made under this section in connection with accelerated payments under section 1682A of this title, and (ii) with respect to other loans made under this section; and

38 USC 1682A.

"(C) comparisons of the collective default experience and default rates with respect to such loans at all such institutions to the default experience and default rates with respect to such loans at each such institution.";

(5) by striking out "1701(1)" in subsection (f)(3) and inserting in lieu thereof "1701(a)(1)"; and

(6) by adding after subsection (f) the following new subsection:

"(g)(1) The Administrator shall conduct, on a continuing basis, a review of the default experience with respect to loans made under this section.

"(2)(A) To ensure that loans are made under this section on the basis of financial need directly related to the costs of education, the Administrator may, by regulation, establish (i) criteria for eligibility for such loans, in addition to the criteria and requirements prescribed by subsections (c) and (d) of this section, in order to limit eligibility for such loans to eligible veterans and eligible persons attending educational institutions with relatively high rates of tuition and fees, and (ii) criteria under which the Administrator may prescribe a repayment perod for certain types of loans made under this section that is shorter than the repayment period otherwise applicable under subsection (d)(1)(A) of this section. Criteria established by the Administrator under clause (i) of the preceding sentence may include a minimum amount of tuition and fees that an eligible veteran or eligible person may pay in order to be eligible for such a loan (except that any such criterion shall not apply with respect to a loan for which the veteran is eligible as a result of an extension of the period of eligibility of such veteran for loans under this section provided for by section 1662(a)(2) of this title).

Regulations.

38 USC 1662.

"(B) In prescribing regulations under subparagraph (A) of this paragraph, the Administrator shall take into consideration information developed in the course of the review required by paragraph (1) of this subsection.

"(C) Regulations may be prescribed under subparagraph (A) of this paragraph only after opportunity has been afforded for public comment thereon.".

BURIAL BENEFITS

SEC. 202. (a) Subsection (b) of section 903 is amended to read as follows:

38 USC 903.

"(b) In addition to the benefits provided for under section 902 of this title and subsection (a) of this section, in the case of a veteran who is eligible for a burial allowance under such section 902, or under

38 USC 902.

such subsection, and who is not buried in a national cemetery or other cemetery under the jurisdiction of the United States—

"(1) if such veteran is buried (without charge for the cost of a plot or interment) in a cemetery, or a section of a cemetery, that (A) is used solely for the interment of persons eligible for burial in a national cemetery, and (B) is owned by a State or by an agency or political subdivision of a State, the Administrator shall pay to such State, agency, or political subdivision the sum of $150 as a plot or interment allowance for such veteran; and

"(2) if such veteran is buried in a cemetery, or a section of a cemetery, other than as described in clause (1) of this subsection, the Administrator shall pay a sum not exceeding $150 as a plot or interment allowance to such person as the Administrator prescribes, except that if any part of the plot or interment costs of a burial to which this clause applies has been paid or assumed by a State, an agency or political subdivision of a State, or a former employer of the deceased veteran, no claim for such allowance shall be allowed for more than the difference between the entire amount of the expenses incurred and the amount paid or assumed by any or all of the foregoing entities.".

(b)(1) Chapter 24 is amended by adding at the end thereof the following new section:

38 USC 1008.

"§ 1008. Aid to States for establishment, expansion, and improvement of veterans' cemeteries

Grants.

"(a)(1) Subject to subsection (b) of this section, the Administrator may make grants to any State to assist such State in establishing, expanding, or improving veterans' cemeteries owned by such State. Any such grant may be made only upon submission of an application to the Administrator in such form and manner, and containing such information, as the Administrator may require.

Appropriation authorization.

"(2) There is authorized to be appropriated $5,000,000 for fiscal year 1980 and for each of the four succeeding fiscal years for the purpose of making grants under paragraph (1) of this subsection.

"(b) Grants under this section shall be subject to the following conditions:

"(1) No State may receive grants under this section in any fiscal year in a total amount in excess of 20 per centum of the total amount appropriated for such grants for such fiscal year.

"(2) The amount of any grant under this section may not exceed an amount equal to 50 per centum of the total of the value of the land to be acquired or dedicated for the cemetery and the cost of the improvements to be made on such land, with the remaining amount to be contributed by the State receiving the grant.

"(3) If at the time of a grant under this section the State receiving the grant dedicates for the purposes of the cemetery involved land already owned by the State, the value of such land may be considered in determining the amount of the State's contribution under paragraph (2) of this subsection, but the value of such land may not be used for more than an amount equal to 50 per centum of the amount of such contribution and may not be used as part of such State's contribution for any subsequent grant under this section.

"(4) If a State that has received a grant under this section to establish, expand, or improve a veterans' cemetery ceases to own such cemetery, ceases to operate such cemetery as a veterans' cem-

etery, or uses any part of the funds provided through such grant for a purpose other than that for which the grant was made, the United States shall be entitled to recover from such State the total of all grants made under this section to such State in connection with such cemetery.

"(c)(1) In addition to the conditions specified in subsection (b) of this section, any grant to a State under this section to assist such State in establishing a veterans' cemetery shall be made on the condition that such cemetery shall conform to such standards and guidelines relating to site selection, planning, and construction as the Administrator may by regulation prescribe. In prescribing regulations for the purposes of the preceding sentence, the Administrator shall take into account the standards and guidelines for site selection, planning, and construction that are applicable to cemeteries in the National Cemetery System, including those provided in subsections (b), (c), and (d) of section 1004 of this title. 38 USC 1004.

"(2) The Administrator may by regulation prescribe such additional terms and conditions for grants under this section as the Administrator considers appropriate.

"(d) Sums appropriated under subsection (a) of this section shall remain available until the end of the second fiscal year following the fiscal year for which they are appropriated. If all funds from a grant under this section have not been utilized by a State for the purpose for which the grant was made within three years after such grant is made, the United States shall be entitled to recover any such unused grant funds from such State.".

(2) The table of sections at the beginning of chapter 24 is amended by adding at the end thereof the following new item:

"1008. Aid to States for establishment, expansion, and improvement of veterans' cemeteries.".

HEADSTONES AND MARKERS

SEC. 203. (a) Section 906 is amended by adding at the end thereof the following new subsections: 38 USC 906.

"(c) A headstone or marker furnished under subsection (a) or (b) of this section may be of any material, including but not limited to marble, granite, bronze, or slate, requested by the person entitled to request such headstone or marker if the material requested is determined by the Administrator (1) to be cost effective, and (2) in a case in which the headstone or marker is to be placed in a national cemetery, to be aesthetically compatible with the area of the cemetery in which it is to be placed.

"(d) In lieu of furnishing a headstone or marker under subsection (a)(2) or (b) of this section, the Administrator, in the Administrator's discretion, having due regard for the circumstances in each case, may reimburse the person entitled to request such headstone or marker for the actual costs incurred by or on behalf of such person in acquiring a non-Government headstone or marker for placement in any cemetery other than a national cemetery in connection with the burial or memorialization of the deceased individual. Reimbursement under the preceding sentence may be made only upon the request of the person entitled to request the headstone or marker and may not be made in an amount in excess of the average actual cost, as determined by the Administrator, of headstones and markers furnished under subsections (a) and (b) of this section.".

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38 USC 902.

(b) Section 902 is amended—

(1) by striking out "in his discretion" in subsection (a) and inserting in lieu thereof "in the Adminstrator's discretion";

(2) by striking out "as he prescribes" in subsection (a) and inserting in lieu thereof "as the Administrator prescribes"; and

(3) by striking out "his death" in subsection (b) and inserting in lieu thereof "the death of such veteran".

TECHNICAL AMENDMENTS TO LAW NAMING A CERTAIN VETERANS' ADMINISTRATION HOSPITAL

Ante, p. 518.

SEC. 204. Section 203 of Public Law 95-353 is amended—

(1) by striking out "designed" in the first sentence and inserting in lieu thereof "designated"; and

(2) by inserting "map, record," in the second sentence after "document,".

EFFECTIVE DATES

38 USC 903 note.

SEC. 205. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendment made by section 202(a) of this title shall take effect on October 1, 1978.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1332 (Comm. on Veterans' Affairs).
SENATE REPORT No. 95-1055 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 17, considered and passed House.
Aug. 7, considered and passed Senate, amended.
Sept. 28, House agreed to Senate amendents with amendments.
Oct. 2, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 42:
Oct. 18, Presidential statement.