

misleading either by actual statement, omission, or intimation.

(b) To ensure compliance with this section, any institution offering courses approved for the enrollment of eligible persons or veterans shall maintain a complete record of all advertising, sales, or enrollment materials (and copies thereof) utilized by or on behalf of the institution during the preceding 12-month period. Such record shall be available for inspection by the State approving agency or the Secretary. Such materials shall include but are not limited to any direct mail pieces, brochures, printed literature used by sales persons, films, video tapes, and audio tapes disseminated through broadcast media, material disseminated through print media, tear sheets, leaflets, handbills, fliers, and any sales or recruitment manuals used to instruct sales personnel, agents, or representatives of such institution.

(c) The Secretary shall, pursuant to section 3694 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making the Secretary's determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Secretary who shall take appropriate action in such cases within ninety days after such referral.

(Added Pub. L. 93-508, title II, §212(a), Dec. 3, 1974, 88 Stat. 1585, §1796; amended Pub. L. 94-502, title V, §§512, 513(a)(22), Oct. 15, 1976, 90 Stat. 2402, 2403; Pub. L. 98-543, title IV, §401, Oct. 24, 1984, 98 Stat. 2749; Pub. L. 101-237, title IV, §423(b)(1)(A), (2), Dec. 18, 1989, 103 Stat. 2092; renumbered §3696 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 1796 of this title as this section.

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted "3694" for "1794".

1989—Pub. L. 101-237 substituted "Secretary" for "Administrator" wherever appearing and "Secretary's" for "Administrator's" in subsec. (c).

1984—Subsec. (d). Pub. L. 98-543 struck out subsec. (d) which provided that not later than 60 days after the end of each fiscal year the Administrator would be required to report to Congress regarding the disposition of cases under this section.

1976—Subsec. (b). Pub. L. 94-502, §512, added subsec. (b) and redesignated former subsec. (b) as (c).

Subsec. (c). Pub. L. 94-502, §§512(1), 513(a)(22), redesignated former subsec. (b) as (c) and substituted "making the Administrator's determinations" for "making his determinations". Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 94-502, §512(1), redesignated former subsec. (c) as (d).

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by sections 512 and 513(a)(22) of Pub. L. 94-502 effective Dec. 1, 1976, and Oct. 15, 1976, respectively, see section 703(b), (c) of Pub. L. 94-502, set out

as an Effective Date note under section 3693 of this title.

EFFECTIVE DATE

Section effective Dec. 3, 1974, see section 503 of Pub. L. 93-508, set out as an Effective Date of 1974 Amendment note under section 3452 of this title.

§ 3697. Funding of contract educational and vocational counseling

(a) Subject to subsection (b) of this section, educational or vocational counseling services obtained by the Department of Veterans Affairs by contract and provided to an individual under section 3697A of this title or to an individual applying for or receiving benefits under section 1524 or chapter 30, 32, 34, or 35 of this title, or chapter 106 of title 10, shall be paid for out of funds appropriated, or otherwise available, to the Department of Veterans Affairs for payment of readjustment benefits.

(b) Payments under this section shall not exceed \$6,000,000 in any fiscal year.

(Added Pub. L. 100-687, div. B, title XIII, §1302(a), Nov. 18, 1988, 102 Stat. 4127, §1797; amended Pub. L. 101-237, title IV, §423(b)(1)(B), Dec. 18, 1989, 103 Stat. 2092; Pub. L. 102-16, §2(b)(3), Mar. 22, 1991, 105 Stat. 49; renumbered §3697 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406; Pub. L. 103-446, title VI, §609(a), Nov. 2, 1994, 108 Stat. 4673.)

AMENDMENTS

1994—Subsec. (b). Pub. L. 103-446 substituted "\$6,000,000" for "\$5,000,000".

1991—Pub. L. 102-83, §5(a), renumbered section 1797 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted "3697A" for "1797A" and "1524" for "524".

Pub. L. 102-16 inserted "under section 1797A of this title or to an individual" after "individual".

1989—Subsec. (a). Pub. L. 101-237 substituted "Department of Veterans Affairs" for "Veterans' Administration" wherever appearing.

EFFECTIVE DATE OF 1994 AMENDMENT

Section 609(b) of Pub. L. 103-446 provided that: "The amendment made by subsection (a) [amending this section] shall take effect on October 1, 1994."

§ 3697A. Educational and vocational counseling

(a) The Secretary shall make available to an individual described in subsection (b) of this section, upon such individual's request, counseling services, including such educational and vocational counseling and guidance, testing, and other assistance as the Secretary determines necessary to aid the individual in selecting—

(1) an educational or training objective and an educational institution or training establishment appropriate for the attainment of such objective; or

(2) an employment objective that would be likely to provide such individual with satisfactory employment opportunities in the light of the individual's personal circumstances.

(b) For the purposes of this section, the term "individual" means an individual who—

(1) is eligible for educational assistance under chapter 30, 31, or 32 of this title or chapter 106 or 107 of title 10;

(2) was discharged or released from active duty under conditions other than dishonorable

if not more than one year has elapsed since the date of such last discharge or release from active duty; or

(3) is serving on active duty in any State with the Armed Forces and is within 180 days of the estimated date of such individual's discharge or release from active duty under conditions other than dishonorable, including those who are making a determination of whether to continue as members of the Armed Forces.

(c) In any case in which the Secretary has rated the individual as being incompetent, the counseling services described in subsection (a) of this section shall be required to be provided to the individual before the selection of a program of education or training.

(d) At such intervals as the Secretary determines necessary, the Secretary shall make available information concerning the need for general education and for trained personnel in the various crafts, trades, and professions. Facilities of other Federal agencies collecting such information shall be utilized to the extent the Secretary determines practicable.

(e) The Secretary shall take appropriate steps (including individual notification where feasible) to acquaint all individuals described in subsection (b) of this section with the availability and advantages of counseling services under this section.

(Added Pub. L. 102-16, §2(a), Mar. 22, 1991, 105 Stat. 48, §1797A; renumbered §3697A, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 1797A of this title as this section.

[SUBCHAPTER III—REPEALED]

[§§ 3698, 3699. Repealed. Pub. L. 108-183, title III, § 306(e), Dec. 16, 2003, 117 Stat. 2661]

Section 3698, added Pub. L. 93-508, title III, §301(a), Dec. 3, 1974, 88 Stat. 1589, §1798; amended Pub. L. 94-502, title V, §§502(a), 513(a)(23), Oct. 15, 1976, 90 Stat. 2399, 2403; Pub. L. 95-202, title I, §104(3), title II, §202, Nov. 23, 1977, 91 Stat. 1435, 1438; Pub. L. 95-476, title II, §201, Oct. 18, 1978, 92 Stat. 1502; Pub. L. 96-466, title II, §§203(4), 213(4), title VI, §§601(h), 603(b), title VIII, §801(g), Oct. 17, 1980, 94 Stat. 2189, 2191, 2208, 2209, 2216; Pub. L. 97-35, title XX, §2005(d), Aug. 13, 1981, 95 Stat. 783; Pub. L. 97-295, §4(60), Oct. 12, 1982, 96 Stat. 1309; Pub. L. 97-306, title II, §208, Oct. 14, 1982, 96 Stat. 1436; Pub. L. 98-543, title II, §204(3), Oct. 24, 1984, 98 Stat. 2742; Pub. L. 100-689, title I, §124(b), Nov. 18, 1988, 102 Stat. 4174; Pub. L. 101-237, title IV, §423(b)(1)(A), Dec. 18, 1989, 103 Stat. 2092; Pub. L. 102-16, §5(a), Mar. 22, 1991, 105 Stat. 50; renumbered §3698 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406, related to eligibility for loans under this subchapter.

Section 3699, added Pub. L. 93-508, title III, §301(a), Dec. 3, 1974, 88 Stat. 1591, §1799; amended Pub. L. 94-502, title V, §513(a)(24), Oct. 15, 1976, 90 Stat. 2404; Pub. L. 97-295, §4(61), Oct. 12, 1982, 96 Stat. 1309; Pub. L. 101-237, title IV, §423(b)(1), (2), Dec. 18, 1989, 103 Stat. 2092; renumbered §3699 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406, related to revolving fund available for making of loans under this subchapter.

EFFECTIVE DATE OF REPEAL

Repeal effective 90 days after Dec. 16, 2003, see section 306(h)(2) of Pub. L. 108-183, set out as an Effective Date of 2003 Amendment note under section 3485 of this title.

REPEAL OF PROVISIONS RELATING TO OBSOLETE EDUCATION LOAN PROGRAM

Pub. L. 108-183, title III, §306(a)-(c), Dec. 16, 2003, 117 Stat. 2661, provided that:

“(a) **TERMINATION OF PROGRAM.**—The Secretary of Veterans Affairs may not make a loan under subchapter III of chapter 36 of title 38, United States Code, after the date of the enactment of this Act [Dec. 16, 2003].

“(b) **DISCHARGE OF LIABILITIES.**—Effective as of the date of the transfer of funds under subsection (c)—

“(1) any liability on an education loan under subchapter III of chapter 36 of title 38, United States Code, that is outstanding as of such date shall be deemed discharged; and

“(2) the right of the United States to recover an overpayment declared under section 3698(e)(1) of such title that is outstanding as of such date shall be deemed waived.

“(c) **TERMINATION OF LOAN FUND.**—(1) Effective as of the day before the date of the repeal under this section of subchapter III of chapter 36 of title 38, United States Code [see Effective Date of Repeal note above], all monies in the revolving fund of the Treasury known as the ‘Department of Veterans Affairs Education Loan Fund’ shall be transferred to the Department of Veterans Affairs Readjustment Benefits Account, and the revolving fund shall be closed.

“(2) Any monies transferred to the Department of Veterans Affairs Readjustment Benefits Account under paragraph (1) shall be merged with amounts in that account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in that account.”

CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

SUBCHAPTER I—GENERAL

Sec.	
3701.	Definitions.
3702.	Basic entitlement.
3703.	Basic provisions relating to loan guaranty and insurance.
3704.	Restrictions on loans.
3705.	Warranties.
3706.	Escrow of deposits and downpayments.
3707.	Adjustable rate mortgages.
3707A.	Hybrid adjustable rate mortgages.
3708.	Authority to buy down interest rates: pilot program.

SUBCHAPTER II—LOANS

3710.	Purchase or construction of homes.
3711.	Direct loans to veterans.
3712.	Loans to purchase manufactured homes and lots.
3713.	Release from liability under guaranty.
3714.	Assumptions; release from liability.

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

3720.	Powers of Secretary.
3721.	Incontestability.
3722.	Veterans Housing Benefit Program Fund. [3723 to 3725. Repealed.]
3726.	Withholding of payments, benefits, etc.
3727.	Expenditures to correct or compensate for structural defects in mortgaged homes.
3728.	Exemption from State anti-usury provisions.
3729.	Loan fee.
3730.	Use of attorneys in court.
3731.	Appraisals.
3732.	Procedure on default.
3733.	Property management.
3734.	Annual submission of information on the Veterans Housing Benefit Program Fund and housing programs.
[3735.	Renumbered.]
3736.	Reporting requirements.