

poses of this chapter". Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 97-72, §303(a)(1), (4), redesignated subsec. (b) as (c) and substituted "National Oceanic and Atmospheric Administration (or predecessor entity)" for "Coast and Geodetic Survey".

1976—Subsec. (a)(2). Pub. L. 94-324, §7(1), substituted "surviving spouse", "the spouse's own", and "the spouse" for "widow", "her own", and "her husband", respectively, wherever appearing.

Subsec. (a)(3). Pub. L. 94-324, §7(2), substituted "spouse" and "the spouse" for "wife" and "her husband", respectively, wherever appearing.

1970—Subsec. (a)(3). Pub. L. 91-584 added par. (3).

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-106 effective as if included in the Reserve Officer Personnel Management Act, title XVI of Pub. L. 103-337, as enacted on Oct. 5, 1994, see section 1501(f)(3) of Pub. L. 104-106, set out as a note under section 113 of Title 10, Armed Forces.

#### EFFECTIVE DATE OF 1981 AMENDMENT

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.

#### EFFECTIVE DATE OF 1976 AMENDMENT

Section 9 of Pub. L. 94-324 provided that:

"(a) Except as provided in subsection (b), the provisions of this Act [see Tables for classification] shall become effective on the date of enactment [June 30, 1976].

"(b) Sections 2 [enacting section 1807 of this title] and 3 [amending section 1811 [now 3711] of this title] shall become effective on October 1, 1976. Section 5 [amending section 1819 [now 3712] of this title] shall become effective on July 1, 1976."

### § 3702. Basic entitlement

(a)(1) The veterans described in paragraph (2) of this subsection are eligible for the housing loan benefits of this chapter. In the case of any veteran who served on active duty during two or more of the periods specified in paragraph (2) for which eligibility for the housing loan benefits under this chapter may be granted, entitlement derived from service during the most recent such period (A) shall cancel any unused entitlement derived from service during any earlier such period, and (B) shall be reduced by the amount by which entitlement from service during any earlier such period has been used to obtain a direct, guaranteed, or insured housing loan—

(i) on real property which the veteran owns at the time of application; or

(ii) as to which the Secretary has incurred actual liability or loss, unless in the event of loss or the incurrence and payment of such liability by the Secretary the resulting indebtedness of the veteran to the United States has been paid in full.

(2) The veterans referred to in the first sentence of paragraph (1) of this subsection are the following:

(A) Each veteran who served on active duty at any time during World War II, the Korean conflict, or the Vietnam era and whose total service was for 90 days or more.

(B) Each veteran who after September 15, 1940, was discharged or released from a period of active duty for a service-connected disability.

(C) Each veteran, other than a veteran described in clause (A) or (B) of this paragraph, who—

(i) served after July 25, 1947, for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable; or

(ii) has served more than 180 days in active duty status and continues on active duty without a break therein.

(D) Each veteran who served on active duty for 90 days or more at any time during the Persian Gulf War, other than a veteran ineligible for benefits under this title by reason of section 5303A(b) of this title.

(E) Each veteran described in section 3701(b)(5) of this title.

(3) Any unused entitlement of World War II or Korean conflict veterans which expired under provisions of law in effect before October 23, 1970, is hereby restored and shall not expire until used.

(4) A veteran's entitlement under this chapter shall not be reduced by any entitlement used by the veteran's spouse which was based upon the provisions of paragraph (3) of section 3701(b) of this title.

(b) In computing the aggregate amount of guaranty or insurance housing loan entitlement available to a veteran under this chapter, the Secretary may exclude the amount of guaranty or insurance housing loan entitlement used for any guaranteed, insured, or direct loan under the following circumstances:

(1)(A) The property which secured the loan has been disposed of by the veteran or has been destroyed by fire or other natural hazard; and

(B) the loan has been repaid in full, or the Secretary has been released from liability as to the loan, or if the Secretary has suffered a loss on such loan, the loss has been paid in full.

(2) A veteran-transferee has agreed to assume the outstanding balance on the loan and consented to the use of the veteran-transferee's entitlement, to the extent that the entitlement of the veteran-transferor had been used originally, in place of the veteran-transferor's for the guaranteed, insured, or direct loan, and the veteran-transferee otherwise meets the requirements of this chapter.

(3)(A) The loan has been repaid in full; and

(B) the loan for which the veteran seeks to use entitlement under this chapter is secured by the same property which secured the loan referred to in subparagraph (A) of this paragraph.

(4) In a case not covered by paragraph (1) or (2)—

(A) the loan has been repaid in full and, if the Secretary has suffered a loss on the loan, the loss has been paid in full; or

(B) the Secretary has been released from liability as to the loan and, if the Secretary has suffered a loss on the loan, the loss has been paid in full.

The Secretary may, in any case involving circumstances the Secretary deems appropriate, waive one or more of the conditions prescribed

in paragraph (1). The authority of the Secretary under this subsection to exclude an amount of guaranty or insurance housing loan entitlement previously used by a veteran may be exercised only once for that veteran under the authority of paragraph (4).

(c) An honorable discharge shall be deemed to be a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Secretary for a certificate of eligibility. Upon making a loan guaranteed or insured under this chapter, the lender shall forthwith transmit to the Secretary a report thereon in such detail as the Secretary may, from time to time, prescribe. Where the loan is guaranteed, the Secretary shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. The Secretary shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. Nothing in this chapter shall preclude the assignment of any guaranteed loan or the security therefor.

(d) Housing loans will be automatically guaranteed under this chapter only if made (1) by any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State, or (2) by any State, or (3) by any lender approved by the Secretary pursuant to standards established by the Secretary. Any housing loan proposed to be made to a veteran pursuant to this chapter by any lender not of a class specified in the preceding sentence may be guaranteed by the Secretary if the Secretary finds that it is in accord otherwise with the provisions of this chapter.

(e) The Secretary may at any time upon thirty days' notice require housing loans to be made by any lender or class of lenders to be submitted to the Secretary for prior approval. No guaranty or insurance liability shall exist with respect to any such loan unless evidence of guaranty or insurance is issued by the Secretary.

(f) Any housing loan at least 20 percent of which is guaranteed under this chapter may be made by any national bank or Federal savings and loan association, or by any bank, trust company, building and loan association, or insurance company, organized or authorized to do business in the District of Columbia. Any such loan may be so made without regard to the limitations and restrictions of any other law relating to—

- (1) ratio of amount of loan to the value of the property;
- (2) maturity of loan;
- (3) requirement for mortgage or other security;
- (4) dignity of lien; or
- (5) percentage of assets which may be invested in real estate loans.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1203, §1802; Pub. L. 86-73, §1, June 30, 1959, 73 Stat. 156; Pub. L. 87-84, §1(b), July 6, 1961, 75 Stat. 201; Pub. L. 90-19, §25(1), May 25, 1967, 81 Stat. 28; Pub. L. 90-77, title IV, §403(a), Aug. 31, 1967, 81 Stat. 190;

Pub. L. 91-506, §2(a), Oct. 23, 1970, 84 Stat. 1108; Pub. L. 91-584, §5(b), Dec. 24, 1970, 84 Stat. 1576; Pub. L. 93-569, §2(a), (b), Dec. 31, 1974, 88 Stat. 1863; Pub. L. 94-324, §7(3)-(5), June 30, 1976, 90 Stat. 721; Pub. L. 95-476, title I, §102, Oct. 18, 1978, 92 Stat. 1497; Pub. L. 97-72, title III, §303(b), Nov. 3, 1981, 95 Stat. 1060; Pub. L. 97-295, §4(61), Oct. 12, 1982, 96 Stat. 1309; Pub. L. 98-223, title II, §204, Mar. 2, 1984, 98 Stat. 42; Pub. L. 100-322, title IV, §415(a)(1), (2), May 20, 1988, 102 Stat. 549, 550; Pub. L. 101-237, title III, §§310, 313(b)(1), Dec. 18, 1989, 103 Stat. 2075, 2077; Pub. L. 102-25, title III, §341, Apr. 6, 1991, 105 Stat. 92; Pub. L. 102-40, title IV, §402(d)(1), May 7, 1991, 105 Stat. 239; renumbered §3702 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406; Pub. L. 102-547, §2(a)(2), Oct. 28, 1992, 106 Stat. 3633; Pub. L. 103-446, title IX, §902, title XII, §1201(f)(4), Nov. 2, 1994, 108 Stat. 4676, 4687; Pub. L. 105-368, title VI, §603(a), Nov. 11, 1998, 112 Stat. 3348; Pub. L. 106-117, title VII, §711, Nov. 30, 1999, 113 Stat. 1584; Pub. L. 107-103, title IV, §405(a), Dec. 27, 2001, 115 Stat. 993; Pub. L. 108-183, title IV, §403, Dec. 16, 2003, 117 Stat. 2664.)

#### AMENDMENTS

2003—Subsec. (a)(2)(E). Pub. L. 108-183 substituted “Each” for “For the period beginning on October 28, 1992, and ending on September 30, 2009, each”.

2001—Subsec. (a)(2)(E). Pub. L. 107-103 substituted “September 30, 2009” for “September 30, 2007”.

1999—Subsec. (a)(2)(E). Pub. L. 106-117 substituted “September 30, 2007” for “September 30, 2003”.

1998—Subsec. (a)(2)(E). Pub. L. 105-368 substituted “September 30, 2003” for “October 27, 1999”.

1994—Subsec. (a)(2)(E). Pub. L. 103-446, §1201(f)(4), substituted “For the period beginning on October 28, 1992, and ending on October 27, 1999,” for “For the 7-year period beginning on the date of enactment of this subparagraph.”.

Subsec. (b). Pub. L. 103-446, §902(1), (6), (7), in introductory provisions, substituted “loan under the following circumstances:” for “loan, if—”, and in concluding provisions, substituted “paragraph (1)” for “clause (1) of the preceding sentence” and inserted at end “The authority of the Secretary under this subsection to exclude an amount of guaranty or insurance housing loan entitlement previously used by a veteran may be exercised only once for that veteran under the authority of paragraph (4).”

Subsec. (b)(1). Pub. L. 103-446, §902(2), substituted “The property” for “the property” in subpar. (A) and a period for the semicolon at end of subpar. (B).

Subsec. (b)(2). Pub. L. 103-446, §902(3), substituted “A veteran-transferee” for “a veteran-transferee” and a period for “; or” at end.

Subsec. (b)(3)(A). Pub. L. 103-446, §902(4), substituted “The loan” for “the loan”.

Subsec. (b)(4). Pub. L. 103-446, §902(5), added par. (4). 1992—Subsec. (a)(2)(E). Pub. L. 102-547 added subpar. (E).

1991—Pub. L. 102-83, §5(a), renumbered section 1802 of this title as this section.

Subsec. (a)(2)(D). Pub. L. 102-40 substituted “5303A(b)” for “3103A(b)”.

Pub. L. 102-25 added subpar. (D).

Subsec. (a)(4). Pub. L. 102-83, §5(c)(1), substituted “3701(b)” for “1801(b)”.

1989—Subsecs. (a)(1)(ii), (b). Pub. L. 101-237, §313(b)(1), substituted “Secretary” for “Administrator” wherever appearing.

Subsec. (b)(3). Pub. L. 101-237, §310, added par. (3).

Subsecs. (c) to (e). Pub. L. 101-237, §313(b)(1), substituted “Secretary” for “Administrator” wherever appearing.

1988—Subsec. (a)(1). Pub. L. 100-322, §415(a)(1)(A)–(E), designated existing provisions as par. (1), substituted

“The veterans described in paragraph (2) of this subsection are eligible for the housing loan benefits of this chapter” for “Each veteran who served on active duty at any time during World War II, the Korean conflict, or the Vietnam era and whose total service was for ninety days or more, or who was discharged or released from a period of active duty, any part of which occurred during World War II, the Korean conflict, or the Vietnam era, for a service-connected disability, shall be eligible for the housing loan benefits of this chapter”, substituted “in paragraph (2)” for “in the preceding sentence, or in section 1818 of this title,” and redesignated former cls. (1) and (2) as cls. (A) and (B), respectively, and former cls. (A) and (B) as subcls. (i) and (ii), respectively.

Subsec. (a)(2), (3). Pub. L. 100-322, § 415(a)(1)(F), added pars. (2) and (3).

Subsec. (a)(4). Pub. L. 100-322, § 415(a)(2), redesignated subsec. (g) as (a)(4) and substituted “1801(b)” for “1801(a)”.

Subsec. (g). Pub. L. 100-322, § 415(a)(2)(B), redesignated subsec. (g) as (a)(4).

1984—Subsec. (b)(2). Pub. L. 98-223 substituted “a” for “an immediate”.

1982—Subsec. (f). Pub. L. 97-295 substituted “percent” for “per centum”.

1981—Subsec. (a). Pub. L. 97-72, § 303(b)(1), (2), substituted “the housing loan benefits” for “the benefits” in two places and “insured housing loan” for “insured loan”.

Subsec. (b). Pub. L. 97-72, § 303(b)(3), substituted “insurance housing loan entitlement” for “insurance entitlement” in two places.

Subsec. (d). Pub. L. 97-72, § 303(b)(4), (5), substituted “Housing loans will be automatically guaranteed” for “Loans will be automatically guaranteed” and “Any housing loan proposed” for “Any loan proposed”.

Subsec. (e). Pub. L. 97-72, § 303(b)(6), substituted “require housing loans” for “require loans”.

Subsec. (f). Pub. L. 97-72, § 303(b)(7), substituted “Any housing loan at least” for “Any loan at least”.

1978—Subsec. (a). Pub. L. 95-476, § 102(a), inserted provisions entitling Vietnam era veterans to the benefits of this chapter and including such veterans in the cancellation of unused entitlement derived from earlier service and the reduction of current entitlement provisions of this subsection.

Subsec. (b). Pub. L. 95-476, § 102(b), redesignated cl. (1) as (1)(A), cl. (2) as (B), cl. (3) as (2), and struck out reference to cl. (2) in provision authorizing the Administrator to waive certain conditions prescribed in this subsection.

1976—Subsec. (b). Pub. L. 94-324, § 7(3), substituted “the Administrator deems” for “he deems” and “the veteran-transferee’s entitlement” for “his entitlement”.

Subsec. (c). Pub. L. 94-324, § 7(4), substituted “The Administrator” for “He”.

Subsec. (d). Pub. L. 94-324, § 7(4), substituted “the Administrator” for “him” and “he”.

Subsec. (e). Pub. L. 94-324, § 7(5), substituted “the Administrator” for “him” in first sentence.

Subsec. (g). Pub. L. 94-324, § 7(5), substituted “the veteran’s spouse” for “his wife”.

1974—Subsec. (b). Pub. L. 93-569, § 2(a), expanded provisions so as to permit restoration of a veteran’s entitlement to a guaranteed, insured, or direct loan provided any prior loan has been paid in full, and the property has been disposed of by the veteran, or any immediate veteran-transferee has agreed to the use of his veteran’s entitlement.

Subsec. (d)(3). Pub. L. 93-569, § 2(b), substituted provisions relating to any lender approved by Administrator pursuant to standards established by him, for provisions relating to approval of mortgagees by Secretary of Housing and Urban Development and designated by him as certified agent.

1970—Subsec. (b). Pub. L. 91-506 struck out loan eligibility expiration dates for World War II and Korean conflict veterans.

Subsec. (g). Pub. L. 91-584 added subsec. (g).

1967—Subsec. (b). Pub. L. 90-77 extended loan program for certain World War II veterans from July 26, 1967 to July 26, 1970.

Subsec. (d). Pub. L. 90-19 substituted “mortgagee approved by the Secretary of Housing and Urban Development and designated by him” for “Federal Housing Administration approved mortgagee designated by the Federal Housing Commissioner”.

1961—Subsec. (b). Pub. L. 87-84 substituted in last sentence “by a World War II veteran at any time before July 26, 1967, and by a Korean conflict veteran at any time before February 1, 1975” for “at any time before February 1, 1965”.

1959—Subsec. (d)(3). Pub. L. 86-73 added cl. (3).

#### 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 1981 AMENDMENT

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.

#### EFFECTIVE DATE OF 1978 AMENDMENT

Section 108 of title I of Pub. L. 95-476 provided that:

“(a) Except as provided in subsection (b) of this section, the amendments made by this title [see Tables for classification] shall take effect on October 1, 1978.

“(b) The amendment made by clause (1) of section 104 of this title [amending section 1810 [now 3710]] 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 [Oct. 18, 1978].”

#### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-324 effective June 30, 1976, see section 9(a) of Pub. L. 94-324, set out as a note under section 3701 of this title.

#### EFFECTIVE DATE OF 1974 AMENDMENT

Section 10 of Pub. L. 93-569 provided that: “The provisions of this Act [see Tables for classification] shall become effective on the date of enactment [Dec. 31, 1974] except that the amendments made by sections 2(a)(3) [amending section 1802 [now 3702] of this title] and 2(b) [amending section 1802 [now 3702] of this title] and section 3(2) [amending section 1810 [now 3710] of this title] and 3(4) [amending section 1810 [now 3710] of this title] shall become effective ninety days after such date of enactment [Dec. 31, 1974].”

#### 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.

#### ANNUAL REPORTS ON VETERANS RECEIVING GUARANTEED MORTGAGE LOANS AS RESULT OF AMENDMENTS BY PUB. L. 102-547

Section 2(c) of Pub. L. 102-547 directed Secretary of Veterans Affairs to transmit report on selected reserve veterans receiving guaranteed mortgage loans to Committees on Veterans’ Affairs of Senate and House of Representatives no later than Dec. 31, 1994, and annually thereafter, prior to repeal by Pub. L. 104-110, title II, § 201(b), Feb. 13, 1996, 110 Stat. 770.

#### REFERENCES IN OTHER LAWS

Section 415(c)(7) of Pub. L. 100-322 provided that: “Any reference, in effect on the date of the enactment of this Act [May 20, 1988], in any law, rule, or regulation to any of the sections, or parts thereof, which are

redesignated or transferred by this section [sections 1802(a), (g), 1815, 1816(a) to (c), 1816(d) to (f), 1817, 1817A, 1819, and 1832 of this title were redesignated as sections 1802(a)(1), (4), 1803(a)(2), 1832(a) to (c), 1833(a) to (c), 1813, 1814, 1812, and 1833(d) [now 3702(a)(1), (4), 3703(a)(2), 3732(a) to (c), 3733(a) to (c), 3713, 3714, 3712, and 3733(d)], respectively, of this title] shall be construed to refer to the section, or part thereof, as redesignated or transferred by this section."

#### TECHNICAL NATURE OF 1986 AMENDMENTS

Section 415(f) of Pub. L. 100-322 provided that: "The status of any veteran with respect to benefits under chapter 37 of title 38, United States Code, shall not be affected by the amendments made by, or other provisions of, this section [see Tables for classification]."

### § 3703. Basic provisions relating to loan guaranty and insurance

(a)(1)(A) Any loan to a veteran eligible for benefits under this chapter, if made for any of the purposes specified in section 3710 of this title and in compliance with the provisions of this chapter, is automatically guaranteed by the United States in an amount not to exceed the lesser of—

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

(II) in the case of any loan of more than \$45,000, but not more than \$56,250, \$22,500;

(III) except as provided in subclause (IV) of this clause, in the case of any loan of more than \$56,250, the lesser of \$36,000 or 40 percent of the loan; or

(IV) in the case of any loan of more than \$144,000 for a purpose specified in clause (1), (2), (3), (6), or (8) of section 3710(a) of this title, the lesser of the maximum guaranty amount (as defined in subparagraph (C)) or 25 percent of the loan; or

(ii) the maximum amount of guaranty entitlement available to the veteran as specified in subparagraph (B) of this paragraph.

(B) The maximum amount of guaranty entitlement available to a veteran for purposes specified in section 3710 of this title shall be \$36,000, or in the case of a loan described in subparagraph (A)(i)(IV) of this paragraph, the maximum guaranty amount (as defined in subparagraph (C)), 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 3702(b) of this title.

(C) In this paragraph, the term "maximum guaranty amount" means the dollar amount that is equal to 25 percent of the Freddie Mac conforming loan limit limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a single-family residence, as adjusted for the year involved.

(2)(A) Any housing loan which might be guaranteed under the provisions of this chapter, when made or purchased by any financial institution subject to examination and supervision by any agency of the United States or of any State may, in lieu of such guaranty, be insured by the Secretary under an agreement whereby the Secretary will reimburse any such institution for losses incurred on such loan up to 15 percent of the aggregate of loans so made or purchased by it.

(B) Loans insured under this section shall be made on such other terms, conditions, and restrictions as the Secretary may prescribe within the limitations set forth in this chapter.

(b) The liability of the United States under any guaranty, within the limitations of this chapter, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

(c)(1) Loans guaranteed or insured under this chapter shall be payable upon such terms and conditions as may be agreed upon by the parties thereto, subject to the provisions of this chapter and regulations of the Secretary issued pursuant to this chapter, and shall bear interest not in excess of such rate as the Secretary may from time to time find the loan market demands, except that in establishing the rate of interest that shall be applicable to such loans, the Secretary shall consult with the Secretary of Housing and Urban Development regarding the rate of interest applicable to home loans insured under section 203(b) of the National Housing Act (12 U.S.C. 1709(b)). In establishing rates of interest under this paragraph for one or more of the purposes described in clauses (4) and (7) of section 3710(a) of this title, the Secretary 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 Secretary may from time to time find the loan market demands for loans for such purposes.

(2) The provisions of the Servicemen's Readjustment Act of 1944 which were in effect before April 1, 1958, with respect to the interest chargeable on loans made or guaranteed under such Act shall, notwithstanding the provisions of paragraph (1) of this subsection, continue to be applicable—

(A) to any loan made or guaranteed before April 1, 1958; and

(B) to any loan with respect to which a commitment to guarantee was entered into by the Secretary before April 1, 1958.

(3) This section shall not be construed to prohibit a veteran from paying to a lender any reasonable discount required by such lender, when the proceeds from the loan are to be used—

(A) to refinance indebtedness pursuant to clause (5), (8), or (9)(B)(i) of section 3710(a) of this title or section 3712(a)(1)(F) of this title;

(B) to repair, alter, or improve a farm residence or other dwelling pursuant to clauses (4) and (7) of section 3710(a) of this title;

(C) to construct a dwelling or farm residence on land already owned or to be acquired by the veteran except where the land is directly or indirectly acquired from a builder or developer who has contracted to construct such dwelling for the veteran;

(D) to purchase a dwelling from a class of sellers which the Secretary determines are legally precluded under all circumstances from paying such a discount if the best interest of the veteran would be so served; or

(E) to refinance indebtedness and purchase a manufactured-home lot pursuant to section 3710(a)(9)(B)(ii) or 3712(a)(1)(G) of this title, but only with respect to that portion of the loan used to refinance such indebtedness.

(4)(A) In guaranteeing or insuring loans under this chapter, the Secretary may elect whether