

Public Law 91-506

AN ACT

October 23, 1970
[H. R. 16710]

To amend chapter 37 of title 38, United States Code, to authorize guaranteed and direct loans to eligible veterans for mobile homes and lots therefor if used as permanent dwellings, to remove the time limitation on the use of entitlement to benefits under such chapter, and to restore such entitlements which have lapsed prior to use or expiration, to eliminate the guaranteed and direct loan fee collected under such chapter, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Housing Act of 1970".

SEC. 2. (a) Section 1802(b) of title 38, United States Code, is amended by striking out the last sentence thereof.

(b) Section 1803 of such title is amended by striking out subsection (a) and inserting in lieu thereof the following:

"(a) (1) Any loan to a World War II or Korean conflict veteran, if made for any of the purposes, and in compliance with the provisions, specified in this chapter is automatically guaranteed by the United States in an amount not more than 60 per centum of the loan if the loan is made for any of the purposes specified in section 1810 of this title and not more than 50 per centum of the loan if the loan is for any of the purposes specified in section 1812, 1813, or 1814 of this title.

"(2) Any unused entitlement of World War II or Korean conflict veterans which expired under provisions of law in effect prior to the date of enactment of the Veterans' Housing Act of 1970 is hereby restored and shall not expire until used."

(c) Section 1803 of such title is amended—

(1) by striking out "1810 and 1811" in subsection (b) and inserting in lieu thereof "1810, 1811, and 1819"; and

(2) by inserting immediately after "years" in the first sentence of subsection (d) (1) the following: "except as provided in section 1819 of this title".

(d) Subsection (b) of section 1804 of such title is amended by striking out "The" and inserting in lieu thereof "Subject to notice and opportunity for a hearing, the"; and subsection (d) of such section is amended by striking out "Whenever" and inserting in lieu thereof "Subject to notice and opportunity for a hearing, whenever".

(e) Section 1818 of such title is amended by striking out subsections (c), (d), and (e) and inserting in lieu thereof the following:

"(c) Notwithstanding the exception in subsection (a) of this section, entitlement derived under such subsection (a) shall include eligibility for any of the purposes specified in sections 1813 and 1815, and business loans under section 1814 of this title, if (1) the veteran previously derived entitlement to the benefits of this chapter based on service during World War II or the Korean conflict, and (2) he has not used any of his entitlement derived from such service.

"(d) Any entitlement to the benefits of this section which had not expired as of the date of enactment of the Veterans' Housing Act of 1970 and any entitlement to such benefits accruing after such date shall not expire until used."

SEC. 3. Section 1810 of title 38, United States Code, is amended by—

(1) adding the following new clause after clause (4) of subsection (a):

"(5) To refinance existing mortgage loans or other liens which are secured of record on a dwelling or farm residence owned and occupied by him as his home. Nothing in this chapter shall preclude a veteran from paying to a lender any discount required by such lender in connection with such refinancing."; and

Veterans' Housing Act of 1970.
75 Stat. 201.

81 Stat. 190.

Expired loan entitlement, restoration.

72 Stat. 1205.

Post, p. 1110.

80 Stat. 25.

72 Stat. 1207.

(2) adding at the end of that section the following new subsection:

“(d) Nothing in this chapter shall be deemed to preclude the guaranty of a loan to an eligible veteran to purchase a one-family residential unit to be owned and occupied by him as a home in a condominium housing development or project as to which the Secretary of Housing and Urban Development has issued, under section 234 of the National Housing Act, as amended (12 U.S.C. 1715y), evidence of insurance on at least one loan for the purchase of a one-family unit. The Administrator shall guarantee loans to veterans on such residential units when such loans meet those requirements of this chapter which he shall, by regulation, determine to be applicable to such loans.”

75 Stat. 160;
78 Stat. 780;
83 Stat. 384.

SEC. 4. Section 1811 of title 38, United States Code, is amended—

72 Stat. 1208.

(1) by striking out “1810” in subsection (a) and (b) inserting in lieu thereof: “1810 or 1819”;

Post, p. 1110.

(2) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: “He shall, with respect to any such area, make, or enter into commitments to make, to any veteran eligible under this title, a loan for any or all of the purposes described in section 1810(a) or 1819 of this title.”;

(3) by inserting after “guaranteed home loans” the phrase “or mobile home loans, as appropriate” in subsection (c) (1), and by striking out in such subsection “1810 of this title” and inserting in lieu thereof “1810 or 1819 of this title, as appropriate”;

(4) by inserting after “guaranteed home loans” in subsection (d) (1) the phrase “or mobile home loans, as appropriate”;

(5) by striking out “The” in subsection (d) (2) and inserting in lieu thereof “(A) Except for any loan made under this chapter for the purposes described in section 1819 of this title, the”;

(6) by inserting immediately after subsection (d) (2) (as amended by clause (4) above) the following new paragraph:

“(B) The original principal amount of any loan made under this section for the purposes described in section 1819 of this title shall not exceed the amount specified by the Administrator pursuant to subsection (d) of such section.”;

78 Stat. 380.

(7) by striking out “1810 of this title” in subsection (g) and inserting in lieu thereof “1810 or 1819 of this title, as appropriate”; and

(8) by striking out subsections (h), (i), and (j) and inserting in lieu thereof the following:

“(h) The Administrator may exempt dwellings constructed through assistance provided by this section from the minimum land planning and subdivision requirements prescribed pursuant to subsection (a) of section 1804 of this title, and with respect to such dwellings may prescribe special minimum land planning and subdivision requirements which shall be in keeping with the general housing facilities in the locality but shall require that such dwellings meet minimum requirements of structural soundness and general acceptability.

Minimum land planning requirements, exemption authority.

“(i) The Administrator is authorized, without regard to the provisions of subsections (a), (b), and (c) of this section, to make or enter into a commitment to make a loan to any veteran to assist the veteran in acquiring a specially adapted housing unit authorized under chapter 21 of this title, if the veteran is determined to be eligible for the benefits of such chapter 21, and is eligible for loan guaranty benefits under this chapter.

Housing for disabled veterans.

72 Stat. 1167;
73 Stat. 472; *Post*,
p. 1113.
38 USC 801.

“(j) (1) If any builder or sponsor proposes to construct one or more dwellings in a housing credit shortage area, or in any area for

72 Stat. 1167;
73 Stat. 472; *Post*,
p. 1113.
38 USC 801.

a veteran who is determined to be eligible for assistance in acquiring a specially adapted housing unit under chapter 21 of this title, the Administrator may enter into commitment with such builder or sponsor, under which funds available for loans under this section will be reserved for a period not in excess of three months, or such longer period as the Administrator may authorize to meet the needs in any particular case, for the purpose of making loans to veterans to purchase such dwellings. Such commitment may not be assigned or transferred except with the written approval of the Administrator. The Administrator shall not enter into any such commitment unless such builder or sponsor pays a nonrefundable commitment fee to the Administrator in an amount determined by the Administrator, not to exceed 2 per centum of the funds reserved for such builder or sponsor.

"(2) Whenever the Administrator finds that a dwelling with respect to which funds are being reserved under this subsection has been sold, or contracted to be sold, to a veteran eligible for a direct loan under this section, the Administrator shall enter into a commitment to make the veteran a loan for the purchase of such dwelling. With respect to any loan made to an eligible veteran under this subsection, the Administrator may make advances during the construction of the dwelling, up to a maximum in advances of (A) the cost of the land plus (B) 80 per centum of the value of the construction in place."

72 Stat. 1207;
80 Stat. 25.
38 USC 1810.

SEC. 5. Subchapter II of chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1819. Loans to purchase mobile homes and mobile home lots

"(a) Notwithstanding any other provision of this chapter, any veteran eligible for loan guaranty benefits under this chapter who has maximum home loan guaranty entitlement available for use shall be eligible for the mobile home loan guaranty benefit under this section. Use of the mobile home loan guaranty benefit provided by this section shall preclude the use of any home loan guaranty entitlement under any other section of this chapter until the mobile home loan guaranteed under this section has been paid in full.

"(b) Subject to the limitations in subsection (d) of this section, a loan to purchase a mobile home under this section may include (or be augmented by a separate loan for) (1) an amount to finance the acquisition of a lot on which to place such home, and (2) an additional amount to pay expenses reasonably necessary for the appropriate preparation of such a lot, including, but not limited to, the installation of utility connections, sanitary facilities and paving, and the construction of a suitable pad.

"(c) (1) Any loan to a veteran eligible under subsection (a) shall be guaranteed by the Administrator if (1) the loan is for the purpose of purchasing a new mobile home 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, and (2) the loan complies in all other respects with the requirements of this section. Loans for such purpose (including those which will also finance the acquisition of a lot or site preparation as authorized by subsection (b) of this section) shall be submitted to the Administrator for approval prior to loan closing 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 he determines that the experience of such lender or class of lenders in mobile home financing warrants such exemption.

"(2) Upon determining that a loan submitted for prior approval

72 Stat. 1204;
73 Stat. 156.

is eligible for guaranty under this section, the Administrator 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) The Administrator’s guaranty shall not exceed 30 per centum of the loan, including any amount for lot acquisition and site preparation, and payment of such guaranty shall be made only after liquidation of the security for the loan and the filing of an accounting with the Administrator. In any such accounting the Administrator shall permit to be included therein accrued unpaid interest from the date of the first uncured default to such cutoff date as the Administrator may establish, and he 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 he may determine and such costs and expenses as he 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.

“(d) (1) The Administrator shall establish a loan maximum for each type of loan authorized by this section. In the case of a new mobile home, the Administrator may establish a maximum loan amount based on the manufacturer’s invoice cost to the dealer and such other cost factors as the Administrator considers proper to take into account. In the case of a used mobile home, the Administrator shall establish a maximum loan amount based on his determination of the reasonable value of the property. In the case of any lot on which to place a mobile home 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 or an amount appropriate to cover the cost of necessary site preparation or both, as determined by the Administrator.

Maximum loan amounts.

“(2) The maximum permissible loan amounts and the term for which the loans are made shall not exceed—

“(A) \$10,000 for twelve years and thirty-two days in the case of a loan covering the purchase of a mobile home only, and such additional amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation where the veteran owns the lot, or

“(B) \$15,000 (but not to exceed \$10,000 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a mobile home and an undeveloped lot on which to place such home, and such additional amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation, or

“(C) \$17,500 (but not to exceed \$10,000 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a mobile home and a suitably developed lot on which to place such home.

“(3) Such limitations set forth in paragraph (2) of this subsection on the amount and term of any loan shall not be deemed to preclude the Administrator, under regulations which he shall prescribe, from consenting to necessary advances for the protection of the security or the holder’s lien, or to a reasonable extension of the term or reamortization of such loan.

“(e) No loan shall be guaranteed under this section unless—

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

Conditions.

"(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, 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, or air service, who may not have previously established credit ratings;

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

"(4) the amount of the loan, subject to the maximums established in subparagraph (d) of this section, is not in excess of the maximum amount prescribed by the Administrator;

"(5) the veteran certifies, in such form as the Administrator shall prescribe, that he will personally occupy the property as his home;

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

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

Interest rate.

"(f) The Administrator shall establish such rate of interest for mobile home loans as he determines to be necessary in order to assure a reasonable supply of mobile home loan financing for veterans under this section.

"(g) Entitlement to the loan guaranty benefit used under this section shall be restored a single time for any veteran by the Administrator provided the first loan has been repaid in full.

Regulations.

"(h) The Administrator shall promulgate such regulations as he 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 he determines should be applicable to loans guaranteed or made under this section. The Administrator shall have such powers and responsibilities in respect to matters arising under this section as he has in respect to loans made or guaranteed or under other sections of this chapter.

Standards, compliance.

"(i) No loan for the purchase of a mobile home shall be guaranteed under this section unless the mobile home and lot, if any, meet or exceed standards for planning, construction, and general acceptability as prescribed by the Administrator. Such standards shall be designed to encourage the maintenance and development of sites for mobile homes which will be attractive residential areas and which will be free from, and not substantially contribute to, adverse scenic or environmental conditions. For the purpose of assuring compliance with such standards, the Administrator shall from time to time inspect the manufacturing process of mobile homes to be sold to veterans and conduct random onsite inspections of mobile homes purchased with assistance under this chapter.

Written warranty.

"(j) The Administrator shall require the manufacturer to become a warrantor of any new mobile 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 Administrator shall require. Such warranty shall include (1) a specific statement that the mobile home meets the standards prescribed by the Administrator pursuant to the provisions of subsection (i) 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 non-

conformity 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.

“(k) Subject to notice and opportunity for a hearing, the Administrator is authorized to deny guaranteed or direct loan financing in the case of mobile homes constructed by any manufacturer who refuses to permit the inspections provided for in subsection (i) of this section; or in the case of mobile homes which are determined by the Administrator not to conform to the aforesaid standards; or where the manufacturer of mobile homes fails or is unable to discharge his obligations under the warranty.

“(l) Subject to notice and opportunity for a hearing, the Administrator may refuse to approve as acceptable any site in a mobile home park or subdivision owned or operated by any person whose rental or sale methods, procedures, requirements, or practices are determined by the Administrator to be unfair or prejudicial to veterans renting or purchasing such sites. The Administrator may also refuse to guarantee or make direct loans for veterans to purchase mobile homes offered for sale by any dealer if substantial deficiencies have been discovered in such homes, or if he 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.

“(m) The Administrator’s annual report to Congress shall, beginning 12 months following the date of enactment of the Veterans’ Housing Act of 1970, include a report on operations under this section, including the results of inspections required by subsection (i) of this section, experience with compliance with the warranty required by subsection (j) of this section, and the experience regarding defaults and foreclosures.

“(n) The provisions of section 1804(d) and section 1821 of this chapter shall be fully applicable to lenders making guaranteed mobile home loans and holders of such loans.

“(o) No loans shall be guaranteed or made by the Administrator under the provisions of this section on and after July 1, 1975, except pursuant to commitments issued prior to such date.”

SEC. 6. Clause (3) of section 802 of title 38, United States Code, is amended to read as follows:

“(3) where the veteran elects to remodel a dwelling which is not adapted to the requirements of his disability, acquired by him prior to application for assistance under this chapter, the Administrator shall pay not to exceed (A) the cost to the veteran of such remodeling; or (B) 50 per centum of the cost to the veteran of such remodeling; plus the smaller of the following sums: (i) 50 per centum of the cost to the veteran of such dwelling and the necessary land upon which it is situated, or (ii) the full amount of the unpaid balance, if any, of the cost to the veteran of such dwelling and the necessary land upon which it is situated; and”.

October 23 1970
U.S. House of Representatives

Department of Housing and Urban Development

Report to Congress.

October 23 1970
U.S. House of Representatives

72 Stat. 1205;
73 Stat. 156.

Termination date.

Assistance, limitation.
72 Stat. 1168.

SEC. 7. The table of sections at the beginning of chapter 37 of title 38 is amended by inserting immediately after

"1818. Veterans who serve after January 31, 1955."

the following:

"1819. Loans to purchase mobile homes and mobile home lots."

Effective date.

SEC. 8. Section 5 of this Act shall become effective sixty days following the date of enactment.

Approved October 23, 1970.

Public Law 91-507

JOINT RESOLUTION

October 26, 1970
[S. J. Res. 223]

To authorize and request the President to issue a proclamation designating January 1971 as "National Blood Donor Month".

National Blood Donor Month. Proclamation.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the vital contribution of the voluntary blood donor to medical care, the President is authorized and requested to issue a proclamation designating the month of January 1971 as "National Blood Donor Month", and calling upon the people of the United States and interested groups and organizations to observe such month with appropriate ceremonies and activities.

Approved October 26, 1970.

Public Law 91-508

AN ACT

October 26, 1970
[H. R. 15073]

To amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in United States currency be reported to the Department of the Treasury, and for other purposes.

Federal Deposit Insurance Act, amendments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FINANCIAL RECORDKEEPING

Chapter	Sec.
1. INSURED BANKS AND INSURED INSTITUTIONS.....	101
2. OTHER FINANCIAL INSTITUTIONS.....	121

Chapter 1.—INSURED BANKS AND INSURED INSTITUTIONS

- Sec.
- 101. Retention of records by insured banks.
 - 102. Retention of records by insured institutions.

§ 101. Retention of records by insured banks

The Federal Deposit Insurance Act is amended (1) by redesignating sections 21 and 22 as 22 and 23, respectively, and (2) by inserting the following new section immediately after section 20:

"SEC. 21. (a) (1) The Congress finds that adequate records maintained by insured banks have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. The Congress further finds that microfilm or other reproductions and other records made by banks of checks, as well as records kept by banks of the identity of persons maintaining or authorized to act with respect to accounts therein, have been of particular value in this respect.

64 Stat. 893;
81 Stat. 610.
12 USC 1830,
1831.