

termines that such variations are necessary because the area has unusually high or low construction costs, fair market rents (as determined under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f)), or family incomes.

(7) The term “veteran family” includes a veteran who is a single person and a family in which the head of household or the spouse of the head of household is a veteran.

(Added Pub. L. 110-387, title VI, §604(b)(1), Oct. 10, 2008, 122 Stat. 4132; amended Pub. L. 111-275, title X, §1001(e), Oct. 13, 2010, 124 Stat. 2896; Pub. L. 112-37, §12, Oct. 5, 2011, 125 Stat. 397; Pub. L. 112-154, title III, §305(c), Aug. 6, 2012, 126 Stat. 1187; Pub. L. 113-37, §2(f)(2), Sept. 30, 2013, 127 Stat. 524; Pub. L. 113-175, title II, §206, Sept. 26, 2014, 128 Stat. 1904.)

CODIFICATION

Pub. L. 112-37, §12, Oct. 5, 2011, 125 Stat. 397, which directed amendment of “section 2044” without specifying the Code title to be amended, was executed to this section, which is section 2044 of Title 38, Veterans' Benefits, to reflect the probable intent of Congress. See 2011 Amendment notes below.

AMENDMENTS

2014—Subsec. (e)(1)(E). Pub. L. 113-175 substituted “fiscal years 2013 through 2015” for “fiscal years 2013 and 2014”.

2013—Subsec. (e)(1)(E). Pub. L. 113-37 substituted “for each of fiscal years 2013 and 2014” for “for fiscal year 2013”.

2012—Subsec. (e)(1)(E). Pub. L. 112-154 added subpar. (E).

2011—Subsec. (e)(1). Pub. L. 112-37, §12(b), substituted “subsections” for “subsection” in introductory provisions. See Codification note above.

Subsec. (e)(1)(D). Pub. L. 112-37, §12(a)(1), added subpar. (D). See Codification note above.

Subsec. (e)(3). Pub. L. 112-37, §12(a)(2), substituted “2012” for “2011”. See Codification note above.

2010—Subsec. (e)(3). Pub. L. 111-275 substituted “fiscal years” for “fiscal year”.

EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by Pub. L. 113-37 effective Oct. 1, 2013, see section 4(a) of Pub. L. 113-37, set out as a note under section 322 of this title.

PURPOSE

Pub. L. 110-387, title VI, §604(a), Oct. 10, 2008, 122 Stat. 4132, provided that: “The purpose of this section [enacting this section] is to facilitate the provision of supportive services for very low-income veteran families in permanent housing.”

SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING

AMENDMENTS

2001—Pub. L. 107-95, §5(d)(1), (2)(A), Dec. 21, 2001, 115 Stat. 918, redesignated subchapter VI of chapter 37 of this title as this subchapter and struck out “FOR HOMELESS VETERANS” after “HOUSING” in subchapter heading.

§ 2051. General authority

(a) The Secretary may guarantee the full or partial repayment of a loan that meets the requirements of this subchapter.

(b)(1) Not more than 15 loans may be guaranteed under subsection (a), of which not more

than five such loans may be guaranteed during the 3-year period beginning on the date of the enactment of this subchapter.

(2) A guarantee of a loan under subsection (a) shall be in an amount that is not less than the amount necessary to sell the loan in a commercial market.

(3) Not more than an aggregate amount of \$100,000,000 in loans may be guaranteed under subsection (a).

(c) A loan may not be guaranteed under this subchapter unless, before closing such loan, the Secretary has approved the loan.

(d)(1) The Secretary shall enter into contracts with a qualified nonprofit organization, or other qualified organization, that has experience in underwriting transitional housing projects to obtain advice in carrying out this subchapter, including advice on the terms and conditions necessary for a loan that meets the requirements of section 2052 of this title.

(2) For purposes of paragraph (1), a nonprofit organization is an organization that is described in paragraph (3) or (4) of subsection (c) of section 501 of the Internal Revenue Code of 1986 and is exempt from tax under subsection (a) of such section.

(e) The Secretary may carry out this subchapter in advance of the issuance of regulations for such purpose.

(f) The Secretary may guarantee loans under this subchapter notwithstanding any requirement for prior appropriations for such purpose under any provision of law.

(g) Notwithstanding any other provision of law, a multifamily transitional housing project that is funded by a loan guaranteed under this subchapter may accept uncompensated voluntary services performed by any eligible entity (as that term is defined in section 2011(d) of this title) in connection with the construction, alteration, or repair of such project.

(Added Pub. L. 105-368, title VI, §601(a), Nov. 11, 1998, 112 Stat. 3342, §3772; renumbered §2051 and amended Pub. L. 107-95, §5(d)(1), (2)(B), Dec. 21, 2001, 115 Stat. 918; Pub. L. 108-454, title IV, §402(a), Dec. 10, 2004, 118 Stat. 3615.)

REFERENCES IN TEXT

The date of the enactment of this subchapter, referred to in subsec. (b)(1), is the date of enactment of Pub. L. 105-368, which was approved Nov. 11, 1998.

Section 501 of the Internal Revenue Code of 1986, referred to in subsec. (d)(2), is classified to section 501 of Title 26, Internal Revenue Code.

AMENDMENTS

2004—Subsec. (g). Pub. L. 108-454 added subsec. (g).

2001—Pub. L. 107-95, §5(d)(1), renumbered section 3772 of this title as this section.

Subsec. (d)(1). Pub. L. 107-95, §5(d)(2)(B), substituted “section 2052 of this title” for “section 3773 of this title”.

EFFECTIVE DATE

Subchapter effective Oct. 1, 1998, see section 602(f) of Pub. L. 105-368, set out as an Effective Date of 1998 Amendment note under section 2106 of this title.

§ 2052. Requirements

(a) A loan referred to in section 2051 of this title meets the requirements of this subchapter if each of the following requirements is met:

- (1) The loan—
 (A) is for—
 (i) construction of, rehabilitation of, or acquisition of land for a multifamily transitional housing project described in subsection (b), or more than one of such purposes; or
 (ii) refinancing of an existing loan for such a project; and
 (B) may also include additional reasonable amounts for—
 (i) financing acquisition of furniture, equipment, supplies, or materials for the project; or
 (ii) in the case of a loan made for purposes of subparagraph (A)(i), supplying the organization carrying out the project with working capital relative to the project.
- (2) The loan is made in connection with funding or the provision of substantial property or services for such project by either a State or local government or a nongovernmental entity, or both.
- (3) The maximum loan amount does not exceed the lesser of—
 (A) that amount generally approved (utilizing prudent underwriting principles) in the consideration and approval of projects of similar nature and risk so as to assure repayment of the loan obligation; and
 (B) 90 percent of the total cost of the project.
- (4) The loan is of sound value, taking into account the creditworthiness of the entity (and the individual members of the entity) applicable for such loan.
- (5) The loan is secured.
- (6) The loan is subject to such terms and conditions as the Secretary determines are reasonable, taking into account other housing projects with similarities in size, location, population, and services provided.
- (b) For purposes of this subchapter, a multifamily transitional housing project referred to in subsection (a)(1) is a project that—
 (1) provides transitional housing to homeless veterans, which housing may be single room occupancy (as defined in section 8(n) of the United States Housing Act of 1937 (42 U.S.C. 1437f (n)));
 (2) provides supportive services and counseling services (including job counselling) at the project site with the goal of making such veterans self-sufficient;
 (3) requires that each such veteran seek to obtain and maintain employment;
 (4) charges a reasonable fee for occupying a unit in such housing; and
 (5) maintains strict guidelines regarding sobriety as a condition of occupying such unit.
- (c) Such a project—
 (1) may include space for neighborhood retail services, other commercial activities, or job training programs; and
 (2) may provide transitional housing to veterans who are not homeless and to homeless individuals who are not veterans if—
 (A) at the time of taking occupancy by any such veteran or homeless individual, the

transitional housing needs of homeless veterans in the project area have been met;

(B) the housing needs of any such veteran or homeless individual can be met in a manner that is compatible with the manner in which the needs of homeless veterans are met under paragraph (1); and

(C) the provisions of paragraphs (4) and (5) of subsection (b) are met.

(d) In determining whether to guarantee a loan under this subchapter, the Secretary shall consider—

(1) the availability of Department of Veterans Affairs medical services to residents of the multifamily transitional housing project; and

(2) the extent to which needs of homeless veterans are met in a community, as assessed under section 107 of Public Law 102-405.

(Added Pub. L. 105-368, title VI, §601(a), Nov. 11, 1998, 112 Stat. 3343, §3773; renumbered §2052 and amended Pub. L. 107-95, §5(d)(1), (2)(C), Dec. 21, 2001, 115 Stat. 918; Pub. L. 108-454, title IV, §402(b), Dec. 10, 2004, 118 Stat. 3616.)

REFERENCES IN TEXT

Section 107 of Public Law 102-405, referred to in subsection (d)(2), is set out as a note under section 527 of this title.

AMENDMENTS

2004—Subsec. (c)(1). Pub. L. 108-454 substituted “services, other commercial activities,” for “services”.

2001—Pub. L. 107-95, §5(d)(1), renumbered section 3773 of this title as this section.

Subsec. (a). Pub. L. 107-95, §5(d)(2)(C), substituted “section 2051 of this title” for “section 3772 of this title” in introductory provisions.

§ 2053. Default

(a) The Secretary shall take such steps as may be necessary to obtain repayment on any loan that is in default and that is guaranteed under this subchapter.

(b) Upon default of a loan guaranteed under this subchapter and terminated pursuant to State law, a lender may file a claim under the guarantee for an amount not to exceed the lesser of—

(1) the maximum guarantee; or

(2) the difference between—

(A) the total outstanding obligation on the loan, including principal, interest, and expenses authorized by the loan documents, through the date of the public sale (as authorized under such documents and State law); and

(B) the amount realized at such sale.

(Added Pub. L. 105-368, title VI, §601(a), Nov. 11, 1998, 112 Stat. 3344, §3774; renumbered §2053, Pub. L. 107-95, §5(d)(1), Dec. 21, 2001, 115 Stat. 918.)

AMENDMENTS

2001—Pub. L. 107-95 renumbered section 3774 of this title as this section.

§ 2054. Audit

(a) During each of the first 3 years of operation of a multifamily transitional housing project with respect to which a loan is guaranteed under this subchapter, there shall be an an-