

required by regulations prescribed by the Secretary.

(d) Policy modification

Upon application for protection under this subchapter, the insured and the insurer shall have constructively agreed to any policy modification necessary to give this title full force and effect.

(Oct. 17, 1940, ch. 888, title IV, §403, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2852.)

CODIFICATION

Section was formerly classified to section 543 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 403 of act Oct. 17, 1940, ch. 888, art. IV, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 102-12, §9(14), Mar. 18, 1991, 105 Stat. 40, related to determination of policies entitled to protection, notice to parties, and lapse of policies for nonpayment of premiums, prior to the general amendment of this Act by Pub. L. 108-189. See section 3974 of this title.

§ 3974. Policies entitled to protection and lapse of policies

(a) Determination

The Secretary of Veterans Affairs shall determine whether a policy is entitled to protection under this subchapter and shall notify the insured and the insurer of that determination.

(b) Lapse protection

A policy that the Secretary determines is entitled to protection under this subchapter shall not lapse or otherwise terminate or be forfeited for the nonpayment of a premium, or interest or indebtedness on a premium, after the date on which the application for protection is received by the Secretary.

(c) Time application

The protection provided by this subchapter applies during the insured's period of military service and for a period of two years thereafter.

(Oct. 17, 1940, ch. 888, title IV, §404, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2853.)

CODIFICATION

Section was formerly classified to section 544 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 404 of act Oct. 17, 1940, ch. 888, art. IV, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 102-12, §9(15), Mar. 18, 1991, 105 Stat. 40, related to restrictions on payment of dividends and insured's right to change beneficiary, prior to the general amendment of this Act by Pub. L. 108-189. See section 3975 of this title.

§ 3975. Policy restrictions

(a) Dividends

While a policy is protected under this subchapter, a dividend or other monetary benefit under a policy may not be paid to an insured or used to purchase dividend additions without the approval of the Secretary of Veterans Affairs. If such approval is not obtained, the dividends or

benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer.

(b) Specific restrictions

While a policy is protected under this subchapter, cash value, loan value, withdrawal of dividend accumulation, unearned premiums, or other value of similar character may not be available to the insured without the approval of the Secretary. The right of the insured to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this subchapter.

(Oct. 17, 1940, ch. 888, title IV, §405, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2853.)

CODIFICATION

Section was formerly classified to section 545 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 405 of act Oct. 17, 1940, ch. 888, art. IV, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 102-12, §9(16), Mar. 18, 1991, 105 Stat. 40, related to deduction of unpaid premiums upon settlement of policies maturing during protection, prior to the general amendment of this Act by Pub. L. 108-189. See section 3976 of this title.

§ 3976. Deduction of unpaid premiums

(a) Settlement of proceeds

If a policy matures as a result of a service-member's death or otherwise during the period of protection of the policy under this subchapter, the insurer in making settlement shall deduct from the insurance proceeds the amount of the unpaid premiums guaranteed under this subchapter, together with interest due at the rate fixed in the policy for policy loans.

(b) Interest rate

If the interest rate is not specifically fixed in the policy, the rate shall be the same as for policy loans in other policies issued by the insurer at the time the insured's policy was issued.

(c) Reporting requirement

The amount deducted under this section, if any, shall be reported by the insurer to the Secretary of Veterans Affairs.

(Oct. 17, 1940, ch. 888, title IV, §406, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2853.)

CODIFICATION

Section was formerly classified to section 546 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 406 of act Oct. 17, 1940, ch. 888, art. IV, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Apr. 3, 1948, ch. 170, §6, 62 Stat. 160, related to guaranty of premiums and interest by United States, settlement of amounts due upon expiration of protection, subrogation of United States, and crediting debt repayments, prior to the general amendment of this Act by Pub. L. 108-189. See section 3977 of this title.

§ 3977. Premiums and interest guaranteed by United States

(a) Guarantee of premiums and interest by the United States

(1) Guarantee

Payment of premiums, and interest on premiums at the rate specified in section 3976 of this title, which become due on a policy under the protection of this subchapter is guaranteed by the United States. If the amount guaranteed is not paid to the insurer before the period of insurance protection under this subchapter expires, the amount due shall be treated by the insurer as a policy loan on the policy.

(2) Policy termination

If, at the expiration of insurance protection under this subchapter, the cash surrender value of a policy is less than the amount due to pay premiums and interest on premiums on the policy, the policy shall terminate. Upon such termination, the United States shall pay the insurer the difference between the amount due and the cash surrender value.

(b) Recovery from insured of amounts paid by the United States

(1) Debt payable to the United States

The amount paid by the United States to an insurer under this subchapter shall be a debt payable to the United States by the insured on whose policy payment was made.

(2) Collection

Such amount may be collected by the United States, either as an offset from any amount due the insured by the United States or as otherwise authorized by law.

(3) Debt not dischargeable in bankruptcy

Such debt payable to the United States is not dischargeable in bankruptcy proceedings.

(c) Crediting of amounts recovered

Any amounts received by the United States as repayment of debts incurred by an insured under this subchapter shall be credited to the appropriation for the payment of claims under this subchapter.

(Oct. 17, 1940, ch. 888, title IV, §407, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2853.)

CODIFICATION

Section was formerly classified to section 547 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 407 of act Oct. 17, 1940, ch. 888, art. IV, 54 Stat. 1185; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 85-857, §14(76), Sept. 2, 1958, 72 Stat. 1272; Pub. L. 102-12, §9(17), Mar. 18, 1991, 105 Stat. 40, related to regulations and finality of determinations, prior to the general amendment of this Act by Pub. L. 108-189. See sections 3978 and 3979 of this title.

§ 3978. Regulations

The Secretary of Veterans Affairs shall prescribe regulations for the implementation of this subchapter.

(Oct. 17, 1940, ch. 888, title IV, §408, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2854.)

CODIFICATION

Section was formerly classified to section 548 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 408 of act Oct. 17, 1940, ch. 888, art. IV, 54 Stat. 1185; Oct. 6, 1942, ch. 581, §13, 56 Stat. 776, related to law governing applications for protection prior to Oct. 6, 1942, prior to repeal by Pub. L. 102-12, §9(18), Mar. 18, 1991, 105 Stat. 40.

§ 3979. Review of findings of fact and conclusions of law

The findings of fact and conclusions of law made by the Secretary of Veterans Affairs in administering this subchapter are subject to review on appeal to the Board of Veterans' Appeals pursuant to chapter 71 of title 38 and to judicial review only as provided in chapter 72 of such title.

(Oct. 17, 1940, ch. 888, title IV, §409, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2854.)

CODIFICATION

Section was formerly classified to section 549 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

Prior sections 409 to 414 of article IV of act Oct. 17, 1940, ch. 888, 54 Stat. 1185, 1186, were omitted in the general amendment of article IV by act Oct. 6, 1942, ch. 581, §13, 56 Stat. 773.

Section 409 related to deduction of unpaid premiums from proceeds of policies.

Section 410 related to lapsing of policy for failure to pay past due premiums upon termination of service.

Section 411 related to accounts stated between insurers and United States.

Section 412 related to payment of balances due insurers by Secretary of the Treasury.

Section 413 related to policies excepted from application of article.

Section 414 related to insurers within application of article.

SUBCHAPTER V—TAXES AND PUBLIC LANDS

§ 3991. Taxes respecting personal property, money, credits, and real property

(a) Application

This section applies in any case in which a tax or assessment, whether general or special (other than a tax on personal income), falls due and remains unpaid before or during a period of military service with respect to a servicemember's—

(1) personal property (including motor vehicles); or

(2) real property occupied for dwelling, professional, business, or agricultural purposes by a servicemember or the servicemember's dependents or employees—

(A) before the servicemember's entry into military service; and

(B) during the time the tax or assessment remains unpaid.