

served by lenders, (2) restricting the manner of calculating such interest (including prohibition of the charging of interest on interest), or (3) requiring a minimum amortization of principal, then loans guaranteed or insured under this chapter are also exempt from the application of such provisions.

(Added Pub. L. 96-128, title IV, §401(a), Nov. 28, 1979, 93 Stat. 986, §1828; amended Pub. L. 97-66, title V, §501(b), Oct. 17, 1981, 95 Stat. 1032; renumbered §3728, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

REFERENCES IN TEXT

The National Housing Act, referred to in text, is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended. Titles I and II of the Act are classified generally to subchapters I (§1702 et seq.) and II (§1707 et seq.), respectively, of chapter 13 of Title 12, Banks and Banking. For complete classification of this Act to the Code, see section 1701 of Title 12 and Tables.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 1828 of this title as this section.

1981—Pub. L. 97-66 designated as cl. (1) existing provisions relating to the limiting of rates or amounts of interest, discount points, or other charges which may be charged, taken, received, or reserved by lenders, and added cls. (2) and (3).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE

Section effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as an Effective Date of 1979 Amendment note under section 1114 of this title.

§ 3729. Loan fee

(a) REQUIREMENT OF FEE.—(1) Except as provided in subsection (c), a fee shall be collected from each person obtaining a housing loan guaranteed, insured, or made under this chapter, and each person assuming a loan to which section 3714 of this title applies. No such loan may be guaranteed, insured, made, or assumed until the fee payable under this section has been remitted to the Secretary.

(2) The fee may be included in the loan and paid from the proceeds thereof.

(b) DETERMINATION OF FEE.—(1) The amount of the fee shall be determined from the loan fee table in paragraph (2). The fee is expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

(2) The loan fee table referred to in paragraph (1) is as follows:

LOAN FEE TABLE

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed before January 1, 2004) .....	2.00	2.75	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2004, and before October 1, 2004) .....	2.20	2.40	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before September 30, 2027) .....	2.15	2.40	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after September 30, 2027)	1.40	1.65	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed before September 30, 2027) .....	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after September 30, 2027) .....	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before September 30, 2027) .....	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after September 30, 2027)	0.75	1.00	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before September 30, 2027) .....	1.25	1.50	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after September 30, 2027)	0.50	0.75	NA
(E) Interest rate reduction refinancing loan ....	0.50	0.50	NA
(F) Direct loan under section 3711 .....	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan) ...	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan) ...	1.25	1.25	NA
(I) Loan assumption under section 3714 .....	0.50	0.50	0.50
(J) Loan under section 3733(a) ..	2.25	2.25	2.25

(3) Any reference to a section in the “Type of loan” column in the loan fee table in paragraph (2) refers to a section of this title.

(4) For the purposes of paragraph (2):

(A) The term “active duty veteran” means any veteran eligible for the benefits of this chapter other than a Reservist.

(B) The term “Reservist” means a veteran described in section 3701(b)(5)(A) of this title who is eligible under section 3702(a)(2)(E) of this title.

(C) The term “other obligor” means a person who is not a veteran, as defined in section 101 of this title or other provision of this chapter.

(D) The term “initial loan” means a loan to a veteran guaranteed under section 3710 or made under section 3711 of this title if the veteran has never obtained a loan guaranteed

under section 3710 or made under section 3711 of this title.

(E) The term “subsequent loan” means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title if the veteran has previously obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(F) The term “interest rate reduction refinancing loan” means a loan described in section 3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11), 3712(a)(1)(F), or 3762(h) of this title.

(G) The term “0-down” means a downpayment, if any, of less than 5 percent of the total purchase price or construction cost of the dwelling.

(H) The term “5-down” means a downpayment of at least 5 percent or more, but less than 10 percent, of the total purchase price or construction cost of the dwelling.

(I) The term “10-down” means a downpayment of 10 percent or more of the total purchase price or construction cost of the dwelling.

(c) **WAIVER OF FEE.**—(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who, but for the receipt of retirement pay or active service pay, would be entitled to receive compensation) or from a surviving spouse of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability.

(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

(i) as the result of a pre-discharge disability examination and rating; or

(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.

(Added Pub. L. 97–253, title IV, § 406(a)(1), Sept. 8, 1982, 96 Stat. 805, § 1829; amended Pub. L. 98–369, div. B, title V, § 2511(a), July 18, 1984, 98 Stat. 1117; Pub. L. 100–198, §§ 2, 10(c), Dec. 21, 1987, 101 Stat. 1315, 1323; Pub. L. 100–203, title VII, § 7002, Dec. 22, 1987, 101 Stat. 1330–279; Pub. L. 100–322, title IV, § 415(c)(6), May 20, 1988, 102 Stat. 551; Pub. L. 101–237, title III, §§ 303(a), 313(b)(1), Dec. 18, 1989, 103 Stat. 2071, 2077; Pub. L. 101–239, title V, § 5001, Dec. 19, 1989, 103 Stat. 2136; Pub. L. 101–508, title VIII, § 8032, Nov. 5, 1990, 104 Stat. 1388–348; Pub. L. 102–54, § 15(a)(3), (4), June 13, 1991, 105 Stat. 289; renumbered § 3729 and amended Pub. L. 102–83, § 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406; Pub. L. 102–547, § 2(b)(1), 5, Oct. 28, 1992, 106 Stat. 3633, 3636; Pub. L. 103–66, title XII, § 12007, Aug. 10, 1993, 107 Stat. 414; Pub. L. 103–446, title IX, § 904(c), Nov. 2, 1994, 108 Stat. 4677; Pub. L. 104–275, title II, § 202(b), Oct. 9, 1996, 110 Stat. 3330; Pub. L. 105–33, title VIII, §§ 8012, 8032, Aug. 5, 1997, 111 Stat. 664, 669; Pub. L. 105–368, title VI,

§§ 602(e)(1)(D), 603(b), Nov. 11, 1998, 112 Stat. 3346, 3348; Pub. L. 106–419, title IV, § 402(b), Nov. 1, 2000, 114 Stat. 1861; Pub. L. 107–14, § 8(b)(4), June 5, 2001, 115 Stat. 36; Pub. L. 107–103, title IV, §§ 405(c), 406, Dec. 27, 2001, 115 Stat. 994; Pub. L. 108–183, title IV, § 405, Dec. 16, 2003, 117 Stat. 2665; Pub. L. 108–454, title IV, § 406, Dec. 10, 2004, 118 Stat. 3617; Pub. L. 111–275, title II, § 204, Oct. 13, 2010, 124 Stat. 2874; Pub. L. 112–26, § 3(a), Aug. 3, 2011, 125 Stat. 269; Pub. L. 112–37, § 15, Oct. 5, 2011, 125 Stat. 398; Pub. L. 112–56, title II, § 265(a), Nov. 21, 2011, 125 Stat. 732; Pub. L. 112–154, title II, § 210, title VII, § 702(b), Aug. 6, 2012, 126 Stat. 1179, 1205; Pub. L. 113–146, title VII, § 704, Aug. 7, 2014, 128 Stat. 1797; Pub. L. 115–46, title IV, § 402, Aug. 12, 2017, 131 Stat. 969.)

#### AMENDMENTS

2017—Subsec. (b)(2). Pub. L. 115–46 substituted “September 30, 2027” for “September 30, 2024” wherever appearing in table.

2014—Subsec. (b)(2). Pub. L. 113–146 substituted “September 30, 2024” for “October 1, 2017” wherever appearing in table.

2012—Subsec. (b)(2). Pub. L. 112–154, § 702(b), substituted “October 1, 2017” for “October 1, 2016” wherever appearing in table.

Subsec. (c)(2). Pub. L. 112–154, § 210, amended par. (2) generally. Prior to amendment, par. (2) read as follows: “A veteran who is rated eligible to receive compensation as a result of a pre-discharge disability examination and rating shall be treated as receiving compensation for purposes of this subsection as of the date on which the veteran is rated eligible to receive compensation as a result of the pre-discharge disability examination and rating without regard to whether an effective date of the award of compensation is established as of that date.”

2011—Subsec. (b)(2). Pub. L. 112–37 substituted “November 18, 2011” for “October 1, 2011” wherever appearing in table.

Subsec. (b)(2)(A)(iii), (iv). Pub. L. 112–56, § 265(a)(1), substituted “October 1, 2016” for “November 18, 2011”.

Subsec. (b)(2)(B)(i). Pub. L. 112–56, § 265(a)(2)(A), substituted “October 1, 2016” for “November 18, 2011”.

Pub. L. 112–26, § 3(a)(1), substituted “October 1, 2011” for “January 1, 2004” and substituted “3.30” for “3.00” in two places.

Subsec. (b)(2)(B)(ii). Pub. L. 112–56, § 265(a)(2)(B)–(D), redesignated cl. (iv) as (ii), substituted “October 1, 2016” for “October 1, 2013”, and struck out former cl. (ii) which listed loan fees of 2.80 percent in the first two table columns for a subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after Nov. 18, 2011, and before Oct. 1, 2012).

Pub. L. 112–26, § 3(a)(2), substituted “October 1, 2011, and before October 1, 2012” for “January 1, 2004, and before October 1, 2011” and substituted “2.80” for “3.30” in two places.

Subsec. (b)(2)(B)(iii). Pub. L. 112–56, § 265(a)(2)(B), struck out cl. (iii) which listed loan fees of 2.15 percent in the first two table columns for a subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after Oct. 1, 2012, and before Oct. 1, 2013).

Pub. L. 112–26, § 3(a)(3), substituted “October 1, 2012” for “October 1, 2011”.

Subsec. (b)(2)(B)(iv). Pub. L. 112–56, § 265(a)(2)(C), redesignated cl. (iv) as (ii).

Subsec. (b)(2)(C), (D). Pub. L. 112–56, § 265(a)(3), (4), substituted “October 1, 2016” for “November 18, 2011” wherever appearing.

2010—Subsec. (c)(1). Pub. L. 111–275 inserted “or active service pay” after “retirement pay”.

2004—Subsec. (c). Pub. L. 108–454 designated existing provisions as par. (1) and added par. (2).

2003—Subsec. (b)(2). Pub. L. 108-183 amended par. (2) generally, revising table by adding cls. (iii) and (iv) of subpars. (A) and (B) and changing dates in subpars. (A) and (B).

2001—Pub. L. 107-14 made technical amendment to Pub. L. 106-419. See 2000 Amendment note below.

Subsec. (b)(2). Pub. L. 107-103, §405(c), substituted "October 1, 2011" for "October 1, 2008" wherever appearing in table.

Subsec. (b)(4)(B). Pub. L. 107-103, §406, inserted "who is eligible under section 3702(a)(2)(E) of this title" before period.

2000—Pub. L. 106-419, as amended by Pub. L. 107-14, amended text generally, substituting present provisions for provisions which established loan fee, set fee as 1.25 percent of total loan amount, with exceptions, provided that amount of fee may be included in loan amount and paid from proceeds thereof, provided for increased loan fee percentage for loans closed during specified period, provided for fees on subsequent loans and assumed loans, and provided that fees may not be collected from veterans receiving compensation or from surviving spouses of any veterans who died from service-connected disability.

1998—Subsec. (a)(1). Pub. L. 105-368, §602(e)(1)(D)(ii), substituted "(c)" for "(c)(1)".

Subsec. (a)(4). Pub. L. 105-368, §603(b), designated existing provisions as subpar. (A), substituted "during the period specified in subparagraph (B)" for "after September 30, 1993, and before October 1, 2002," and added subpar. (B).

Subsec. (c). Pub. L. 105-368, §603(e)(1)(D)(i), struck out "(1)" before "A fee may not" and struck out pars. (2) and (3) which read as follows:

"(2) There shall be credited to the Guaranty and Indemnity Fund (in addition to the amount required to be credited to such Fund under clause (A) or (B) of paragraph (2) of section 3725(c) of this title or paragraph (3) of that section), on behalf of a veteran or surviving spouse described in paragraph (1) of this subsection, an amount equal to the fee that, except for paragraph (1) of this subsection, would be collected from such veteran or surviving spouse.

"(3) Credits to the Guaranty and Indemnity Fund under paragraph (2) of this subsection with respect to loans guaranteed, insured, or made under this chapter that are closed during fiscal year 1990 shall be made in October 1990."

1997—Subsec. (a)(2)(A). Pub. L. 105-33, §8032(1)(A), struck out "or 3733(a)" after "section 3711".

Subsec. (a)(2)(F). Pub. L. 105-33, §8032(1)(B)-(D), added subpar. (F).

Subsec. (a)(4). Pub. L. 105-33, §§8012(1), 8032(2), substituted "October 1, 2002" for "October 1, 1998" and "(E), or (F)" for "or (E)".

Subsec. (a)(5)(C). Pub. L. 105-33, §8012(2), substituted "October 1, 2002" for "October 1, 1998".

1996—Subsec. (a)(2)(E). Pub. L. 104-275 substituted "3712(a)(1)(F), or 3762(h)" for "or 3712(a)(1)(F)".

1994—Subsec. (a)(2)(E). Pub. L. 103-446 inserted "3710(a)(11)," after "3710(a)(9)(B)(i)."

1993—Subsec. (a)(2). Pub. L. 103-66, §12007(c), substituted "paragraphs (4) and (5)" for "paragraph (6)" in introductory provisions.

Subsecs. (a)(4) to (6). Pub. L. 103-66, §12007(a), (b), added pars. (4) and (5) and struck out par. (6) which read as follows: "With respect to each loan closed during the period beginning on November 1, 1990, and ending on September 30, 1991, each amount specified in paragraph (2) of this subsection shall be increased by 0.625 percent of the total loan amount."

1992—Subsec. (a)(2)(A). Pub. L. 102-547, §5(1), inserted "(other than section 3712(a)(1)(F))" after "section 3712".

Subsec. (a)(2)(D). Pub. L. 102-547, §2(b)(1), added subpar. (D).

Subsec. (a)(2)(E). Pub. L. 102-547, §5(2), added subpar. (E).

1991—Pub. L. 102-83, §5(a), renumbered section 1829 of this title as this section.

Subsec. (a)(1). Pub. L. 102-83, §5(c)(1), substituted "3733(a)" for "1833(a)".

Subsec. (a)(2). Pub. L. 102-83, §5(c)(1), substituted "3711 or 3733(a)" for "1811 or 1833(a)" and "3712" for "1812" in subpar. (A) and "3712(a)" for "1812(a)" in subpars. (B) and (C).

Subsec. (a)(3) to (5). Pub. L. 102-54, §15(a)(3), redesignated par. (5) as (3) and struck out former pars. (3) and (4) which read as follows:

"(3) Except as provided in paragraph (4) of this subsection, there shall be credited to the Guaranty and Indemnity Fund (in addition to the amount required to be credited to such Fund under section 1825(c)(2)(A) or (B) of this title), on behalf of a veteran who has made a downpayment described in paragraph (2)(C) of this subsection, an amount equal to 0.25 percent of the total loan amount for the fiscal year in which the loan is closed and for the following fiscal year.

"(4) Credits to the Guaranty and Indemnity Fund under paragraph (3) of this subsection with respect to loans guaranteed or insured under this chapter that are closed during fiscal year 1990 shall be made in October 1990 and October 1991."

Subsec. (b). Pub. L. 102-83, §5(c)(1), substituted "3714" for "1814".

Subsec. (c)(2). Pub. L. 102-83, §5(c)(1), substituted "3725(c)" for "1825(c)".

Pub. L. 102-54, §15(a)(4), substituted "clause (A) or (B) of paragraph (2) of section 1825(c) of this title or paragraph (3) of that section" for "section 1825(c)(2)(A) or (B) of this title and subsection (a)(3) of this section".

1990—Subsec. (a)(2). Pub. L. 101-508, §8032(1), substituted "Except as provided in paragraph (6) of this subsection, the amount" for "The amount".

Subsec. (a)(6). Pub. L. 101-508, §8032(2), added par. (6). 1989—Pub. L. 101-237, §303(a), amended section generally. Prior to amendment, section read as follows:

"(a) Except as provided in subsection (b) of this section, a fee shall be collected from each veteran obtaining a housing loan guaranteed, made, or insured under this chapter, and from each person obtaining a loan from the Secretary to finance the purchase of real property from the Secretary, and no such loan may be guaranteed, made, or insured under this chapter until the fee payable with respect to such loan has been remitted to the Secretary. The amount of the fee shall be one percent of the total loan amount. The amount of the fee may be included in the loan and paid from the proceeds thereof.

"(b) A fee may not be collected under this section from a veteran who is receiving compensation (or who but for the receipt of retirement pay would be entitled to receive compensation) or from a surviving spouse of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability.

"(c) A fee may not be collected under this section with respect to any loan closed after September 30, 1990.

"(d) Except as provided in subsection (b) of this section, a fee shall be collected from a person assuming a loan to which section 1814 of this chapter applies. The amount of the fee shall be equal to one-half of one percent of the balance of such loan on the date of the transfer of the property."

Subsec. (a). Pub. L. 101-237, §313(b)(1), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (c). Pub. L. 101-239 substituted "September 30, 1990" for "September 30, 1989".

1988—Subsec. (d). Pub. L. 100-322 substituted "section 1814" for "section 1817A".

1987—Subsec. (b). Pub. L. 100-198, §2(b), substituted "of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability" for "described in section 1801(b)(2) of this title".

Subsec. (c). Pub. L. 100-198, §2(a), and Pub. L. 100-203, amended subsec. identically, substituting "September 30, 1989" for "September 30, 1987".

Subsec. (d). Pub. L. 100-198, §10(c), added subsec. (d). 1984—Subsec. (a). Pub. L. 98-369, §2511(a)(1), inserted "and from each person obtaining a loan from the Ad-

ministrator to finance the purchase of real property from the Administrator," after "under this chapter," struck out "one-half of" before "one percent of the total loan amount", and struck out "to the veteran" after "in the loan".

Subsecs. (c), (d). Pub. L. 98-367, § 2511(a)(2), (3), redesignated subsec. (d) as (c) and substituted "September 30, 1987" for "September 30, 1985". Former subsec. (c), which related to deposit of fees collected under this section into Treasury as miscellaneous receipts, was struck out.

#### EFFECTIVE DATE OF 2011 AMENDMENT

Pub. L. 112-56, title II, § 265(b), Nov. 21, 2011, 125 Stat. 733, provided that: "The amendments made by subsection (a) [amending this section] shall take effect on the later of—

"(1) November 18, 2011; or

"(2) the date of the enactment of this Act [Nov. 21, 2011]."

Pub. L. 112-26, § 3(b), Aug. 3, 2011, 125 Stat. 269, provided that: "The amendments made by subsection (a) [amending this section] shall take effect on the later of October 1, 2011, or the date of the enactment of this Act [Aug. 3, 2011]."

#### EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-183, title IV, § 405, Dec. 16, 2003, 117 Stat. 2665, provided that the amendment made by section 405 is effective Jan. 1, 2004.

#### EFFECTIVE DATE OF 2001 AMENDMENT

Pub. L. 107-14, § 8(b), June 5, 2001, 115 Stat. 36, provided that the amendment made by section 8(b) is effective Nov. 1, 2000, and as if included in the Veterans Benefits and Health Care Improvement Act of 2000, Pub. L. 106-419, as enacted.

#### 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 1989 AMENDMENT

Pub. L. 101-237, title III, § 303(b), Dec. 18, 1989, 103 Stat. 2073, provided that: "The amendments made by this section [amending this section] shall take effect on January 1, 1990."

#### EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98-369, div. B, title V, § 2511(c), July 18, 1984, 98 Stat. 1117, provided that:

"(1) The amendments made by subsection (a)(1) [amending this section] shall apply with respect to loans closed after the end of the 30-day period beginning on the date of the enactment of this Act [July 18, 1984].

"(2) The amendments made by subsections (a)(2) and (b) [amending this section and section 1824 [now 3724] of this title] shall apply with respect to loans closed on or after the date of the enactment of this Act [July 18, 1984].

"(3) The amendment made by subsection (a)(3) [amending this section] shall take effect on the date of the enactment of this Act [July 18, 1984]."

#### EFFECTIVE DATE

Pub. L. 97-253, title IV, § 406(b), Sept. 8, 1982, 96 Stat. 805, as amended by Pub. L. 102-83, § 5(c)(2), Aug. 6, 1991, 105 Stat. 406, provided that: "Section 1829 [now 3729] of title 38, United States Code, as added by subsection (a), shall apply only to loans closed after September 30, 1982."

#### TEMPORARY INCREASE IN CERTAIN HOUSING LOAN FEES

Pub. L. 109-233, title I, § 101(f), June 15, 2006, 120 Stat. 399, provided that: "For a subsequent loan described in subsection (a) of section 3710 of title 38, United States

Code, to purchase or construct a dwelling with 0-down or any other subsequent loan described in that subsection, other than a loan with 5-down or 10-down, that is closed during fiscal year 2007, the Secretary of Veterans Affairs shall apply section 3729(b)(2) of such title by substituting '3.35' for '3.30'."

#### FEE FOR LOAN ASSUMPTION

Pub. L. 107-330, title III, § 307, Dec. 6, 2002, 116 Stat. 2827, provided that:

"(a) IN GENERAL.—For the period described in subsection (b), the Secretary of Veterans Affairs shall apply section 3729(b)(2)(I) of title 38, United States Code, by substituting '1.00' for '0.50' each place it appears.

"(b) PERIOD DESCRIBED.—The period referred to in subsection (a) is the period that begins on the date that is 7 days after the date of the enactment of this Act [Dec. 6, 2002] and ends on September 30, 2003."

#### RATIFICATION OF ACTIONS BY SECRETARY OF VETERANS AFFAIRS AND BY SECRETARY OF THE TREASURY BETWEEN OCT. 1, 1990, AND JUNE 13, 1991

Pub. L. 102-54, § 15(b), June 13, 1991, 105 Stat. 289, as amended by Pub. L. 102-83, § 5(c)(2), Aug. 6, 1991, 105 Stat. 406, provided that:

"(1) Any action of the Secretary of Veterans Affairs or the Secretary of the Treasury—

"(A) that was taken during the period beginning on October 1, 1990, and ending on the date of the enactment of this Act [June 13, 1991]; and

"(B) that would have been an action carried out under section 3725(c)(3) [formerly 1825(c)(3)] of title 38, United States Code, if the amendment made by paragraph (2) of subsection (a) of this section had been made before October 1, 1990, is hereby ratified.

"(2) Any failure to act by the Secretary of Veterans Affairs or the Secretary of the Treasury during such period under section 3729(a)(3) [formerly 1829(a)(3)] of such title is hereby ratified."

#### RATIFICATION OF ACTIONS OF SECRETARY OF VETERANS AFFAIRS DURING TRANSITION PERIODS

For provisions ratifying any actions of the Secretary of Veterans Affairs in carrying out this section during the period beginning Dec. 1, 1989, and ending Dec. 18, 1989, see section 604 of Pub. L. 101-237, set out as a note under section 1720B of this title.

For provisions ratifying any actions of the Secretary of Veterans Affairs in carrying out this section during the period beginning Oct. 1, 1989, and ending Oct. 6, 1989, see section 3(b) of Pub. L. 101-110, set out as a note under section 1720B of this title.

#### RULE FOR CONSTRUCTION OF DUPLICATE PROVISIONS

For rule relating to construction of provisions of Pub. L. 100-203 and Pub. L. 100-198 making duplicate amendments to this section, see section 7004(b) of Pub. L. 100-203, set out as a note under section 3733 of this title.

#### EXTENSION OF TIME FOR COLLECTION OF FEES

Pub. L. 101-237, title III, § 303(c), Dec. 18, 1989, 103 Stat. 2073, directed Secretary of Veterans Affairs to collect fees under this section through Dec. 31, 1989.

Pub. L. 101-110, § 2, Oct. 6, 1989, 103 Stat. 682, authorized collection of fees under this section with respect to loans closed before Dec. 1, 1989.

Pub. L. 100-136, § 1(b), Oct. 16, 1987, 101 Stat. 813, authorized collection of fees under this section with respect to loans closed through Nov. 15, 1987.

#### HOME LOAN ORIGINATION FEE

Pub. L. 99-576, title IV, § 409, Oct. 28, 1986, 100 Stat. 3283, provided that: "It is the sense of the Congress that the Veterans' Administration loan origination fee should not be increased above its present level of one percent of the amount of the loan guaranteed."

**§ 3730. Use of attorneys in court**

(a) The Secretary shall authorize attorneys employed by the Department of Veterans Affairs to exercise the right of the United States to bring suit in court to foreclose a loan made or acquired by the Secretary under this chapter and to recover possession of any property acquired by the Secretary under this chapter. The Secretary may acquire the services of attorneys, other than those who are employees of the Department of Veterans Affairs, to exercise that right. The activities of attorneys in bringing suit under this section shall be subject to the direction and supervision of the Attorney General and to such terms and conditions as the Attorney General may prescribe.

(b) Nothing in this section derogates from the authority of the Attorney General under sections 516 and 519 of title 28 to direct and supervise all litigation to which the United States or an agency or officer of the United States is a party.

(Added Pub. L. 98-369, div. B, title V, §2512(b)(1), July 18, 1984, 98 Stat. 1120, §1830; amended Pub. L. 99-576, title IV, §406, Oct. 28, 1986, 100 Stat. 3282; Pub. L. 101-237, title III, §313(b)(1), (2), Dec. 18, 1989, 103 Stat. 2077; renumbered §3730, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406; Pub. L. 105-368, title X, §1005(b)(12), Nov. 11, 1998, 112 Stat. 3365.)

## AMENDMENTS

1998—Subsec. (a). Pub. L. 105-368 substituted “The Secretary shall” for “Within 180 days after the date of the enactment of this section, the Secretary shall take appropriate steps to”.

1991—Pub. L. 102-83 renumbered section 1830 of this title as this section.

1989—Subsec. (a). Pub. L. 101-237 substituted “Secretary” and “Department of Veterans Affairs” for “Administrator” and “Veterans’ Administration”, respectively, wherever appearing.

1986—Subsec. (a). Pub. L. 99-576 substituted “The” for “With the concurrence of the Attorney General of the United States, the” in second sentence.

## EFFECTIVE DATE

Pub. L. 98-369, div. B, title V, §2512(c)(3), July 18, 1984, 98 Stat. 1120, provided that: “The amendments made by subsection (b) [enacting this section] shall take effect on the date of the enactment of this Act [July 18, 1984].”

**§ 3731. Appraisals**

(a) The Secretary shall—

(1) subject to subsection (b)(2) and in consultation with appropriate representatives of institutions which are regularly engaged in making housing loans, prescribe uniform qualifications for appraisers, including the successful completion of a written test, submission of a sample appraisal, certification of an appropriate number of years of experience as an appraiser, and submission of recommendations from other appraisers;

(2) use such qualifications in determining whether to approve an appraiser to make appraisals of the reasonable value of any property, construction, repairs, or alterations for the purposes of this chapter; and

(3) in consultation with local representatives of institutions described in clause (1) of this

subsection, develop and maintain lists of appraisers who are approved under clause (2) of this subsection to make appraisals for the purposes of this chapter.

(b)(1) The Secretary shall select appraisers from a list required by subsection (a)(3) of this section on a rotating basis to make appraisals for the purposes of this chapter.

(2) If uniform qualifications become applicable for appraisers who perform appraisals for or in connection with the Federal Government, the qualifications required by subsection (a)(1) of this section may be more stringent than such uniform qualifications, but the Secretary may use no written test in determining the qualifications of appraisers other than the test prescribed to implement such uniform qualifications.

(c) Except as provided in subsection (f) of this section, the appraiser shall forward an appraisal report to the Secretary for review. Upon receipt of such report, the Secretary shall determine the reasonable value of the property, construction, repairs, or alterations for purposes of this chapter, and notify the veteran of such determination. Upon request, the Secretary shall furnish a copy of the appraisal made of property for the purposes of this chapter to the lender proposing to make the loan which is to be secured by such property and is to be guaranteed under this chapter.

(d) If a lender (other than a lender authorized under subsection (f) of this section to determine reasonable value)—

(1) has proposed to make a loan to be guaranteed under this chapter,

(2) has been furnished a certificate of reasonable value of any property or of any construction, repairs, or alterations of property which is to be the security for such loan, and

(3) within a reasonable period prescribed by the Secretary, has furnished to the Secretary an additional appraisal of the reasonable value of such property, construction, repairs, or alterations which was made by an appraiser selected by the lender from the list required by subsection (a)(3) of this section,

the Secretary shall consider both the initial appraisal and the additional appraisal and shall, if appropriate, issue a revised certificate of reasonable value of such property, construction, repairs, or alterations.

(e)(1) In no case may a veteran be required to pay all or any portion of the cost of the additional appraisal described in subsection (d)(3) of this section.

(2) If a veteran, within a reasonable period prescribed by the Secretary, has furnished to the Secretary an additional appraisal of the reasonable value of such property, construction, repairs, or alterations which was made by an appraiser selected by the veteran from the list required by subsection (a)(3) of this section, the Secretary shall consider such appraisal, along with other appraisals furnished to the Secretary, and shall, if appropriate, issue a revised certificate of reasonable value of such property, construction, repairs, or alterations.

(f)(1) Subject to the provisions of paragraphs (2) and (3) of this subsection, the Secretary may,