

JUNE 30, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed S. 2529 -- Veterans Housing Amendments Act of 1976. This bill amends VA housing statutes to continue the loan guaranty and direct loan programs indefinitely; extends eligibility under the VA home loan guaranty program to veterans who served between World War II and the Korean conflict; increases the maximum loan amount for the VA direct home loan program; increases the maximum mobile home loan guaranty; preempts certain State constitutional usury provisions concerning interest rates; makes technical amendments in VA housing law.

Continuation of VA housing programs

S. 2529 will continue housing benefits for post-Vietnam era veterans. It accomplishes this by a technical amendment explicitly providing loan guarantee benefit eligibility for veterans who served in the armed forces after the end of the Korean conflict. The bill will also provide for the indefinite continuation of the Direct Loan Revolving Fund which will have the effect of making the direct loan program permanent. The direct loan program will extend credit to veterans to assist them in obtaining housing in rural areas and small cities and towns where private financing is not generally available.

Expanded eligibility for loan guaranty benefits

Effective October 1, 1976, S. 2529 will grant eligibility for housing loan guaranty benefits for the first time to the approximately 255,000 veterans whose entire active duty service occurred after the official termination of World War II, July 25, 1947, and before the Korean conflict, June 27, 1950.

Direct loan maximum

Effective October 1, 1976, the maximum direct loan amount will be \$33,000.

Mobile home loan guaranty

Effective July 1, 1976, S. 2529 will increase from 30% to 50 % the maximum loan guaranty for a mobile home, including amounts for lot acquisition and site preparation.

Federal preemption of certain State usury law

The amendment in S. 2529 will exempt FHA and VA mortgages on one-to four-family dwellings from provisions of any State constitution or law which limits interest rates chargeable by certain classes of lenders while not imposing such limits on other lenders.

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