

5. Section 36.4231 is amended by revising paragraph (b) to read as follows:

§ 36.4231 Warranty requirements.

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(b) Any manufactured housing unit properly displaying a certification of conformity to all applicable Federal manufactured home construction and safety standards pursuant to 42 U.S.C. 5415 shall be acceptable as security for a VA guaranteed loan.

(Authority: 38 U.S.C. 3712)

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6. In § 36.4232, paragraph (a)(2) is amended by removing the period at the end thereof and by adding in its place a semi-colon; paragraphs (a)(5) and (a)(6) are amended by removing “, and” and by adding to each paragraph at the end thereof a semi-colon; and paragraph (a)(7) is amended by removing the period at the end thereof and adding in its place “; and”. Section 36.4232 is also amended by adding a new paragraph (a)(8) and by revising paragraph (e)(1), to read as follows:

§ 36.4232 Allowable fees and charges; manufactured home unit.

(a) * * *

(8) The actual amount charged for flood zone determinations, including a charge for a life-of-the-loan flood zone determination service purchased at the time of loan origination, if made by a third party who guarantees the accuracy of the determination. A fee may not be charged for a flood zone determination made by a Department of Veterans Affairs appraiser or for the lender's own determination.

(Authority: 38 U.S.C. 3712; 42 U.S.C. 4001 note, 4012a)

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(e)(1) Subject to the limitations set out in paragraph (e)(4) of this section, a fee must be paid to the Secretary. A fee of 1 percent of the total amount must be paid in a manner prescribed by the Secretary before a manufactured home unit loan will be eligible for guaranty. Provided, however, that the fee shall be 0.50 percent of the total loan amount for interest rate reduction refinancing loans guaranteed under 38 U.S.C. 3712(a)(1)(F). All or part of the fee may be paid in cash at loan closing or all or part of the fee may be included in the loan without regard to the reasonable value of the property or the computed maximum loan amount, as appropriate. In computing the fee, the lender shall disregard any amount included in the loan to enable the borrower to pay such fee.

(Authority: 38 U.S.C. 3729(a))

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7. Section 36.4254 is amended by redesignating paragraph (a)(7) as paragraph (a)(8); and is further amended by adding a new paragraph (a)(7), by adding an authority citation following paragraph (a)(8), and by revising paragraph (d)(1), to read as follows:

§ 36.4254 Fees and charges.

(a) * * *

(7) The actual amount charged for flood zone determinations, including a charge for a life-of-the-loan flood zone determination service purchased at the time of loan origination, if made by a third party who guarantees the accuracy of the determination. A fee may not be charged for a flood zone determination made by a Department of Veterans Affairs appraiser or for the lender's own determination, and

(8) * * *

(Authority: 38 U.S.C. 3712; 42 U.S.C. 4001 note, 4012a)

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(d)(1) Notwithstanding the provisions of paragraph (c) of this section and subject to the limitations set out in paragraphs (d)(4) and (d)(5) of this section, a fee must be paid to the Secretary. A fee of 1 percent of the total loan amount must be paid to the Secretary before a combination manufactured home and lot loan (or a loan to purchase a lot upon which a manufactured home owned by the veteran will be placed) will be eligible for guaranty. Provided, however, that the fee shall be 0.50 percent of the total loan amount for interest rate reduction refinancing loans guaranteed under 38 U.S.C. 3712(a)(1)(F). All or part of such fee may be paid in cash at loan closing or all or part of the fee may be included in the loan without regard to the reasonable value of the property or the computed maximum loan amount, as appropriate. In computing the fee, the lender will disregard any amount included in the loan to enable the borrower to pay such fee.

(Authority: 38 U.S.C. 3729(a))

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8. The authority citation for part 36, §§ 36.4300 through 36.4375 is revised to read as follows:

Authority: Sections 36.4300 through 36.4375 issued under 38 U.S.C. 101, 501, 3701–3704, 3710, 3712–3714, 3720, 3279, 3732, unless otherwise noted.

9. In § 36.4302, paragraphs (c), (d), (e), (f), (g), (h), (i) and (j) are redesignated as paragraphs (d), (e), (f), (g), (h), (i), (j) and (l), respectively; and § 36.4302 is further amended by revising paragraph (a)(4), by revising paragraph (b), by adding a new paragraph (c), by revising the newly redesignated paragraph (e), by

revising newly redesignated paragraphs (j)(2), (j)(3), and (j)(4), and by adding a new paragraph (k), to read as follows:

§ 36.4302 Computation of guaranties or insurance credits.

(a) * * *

(4) The lesser of \$50,750 or 25 percent of the original principal loan amount where the loan amount exceeds \$144,000 and the loan is for the purchase or construction of a home or the purchase of a condominium unit.

(b) With respect to an interest rate reduction refinancing loan guaranteed under 38 U.S.C. 3710(a)(8), (a)(9)(B)(i), or (a)(11), the dollar amount of guaranty may not exceed the greater of the original guaranty amount of the loan being refinanced, or 25 percent of the refinancing loan amount.

(Authority: 38 U.S.C. 3703, 3710)

(c) With respect to a loan for an energy efficient mortgage guaranteed under 38 U.S.C. 3710(d), the amount of the guaranty shall be in the same proportion as would have been provided if the energy efficient improvements were not added to the loan amount, and there shall be no additional charge to the veteran's entitlement as a result of the increased guaranty amount.

(Authority: 38 U.S.C. 3703, 3710)

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(e) Subject to the provisions of § 36.4303(g), the following formulas shall govern the computation of the amount of the guaranty or insurance entitlement which remains available to an eligible veteran after prior use of entitlement:

(1) If a veteran previously secured a nonrealty (business) loan, the amount of nonrealty entitlement used is doubled and subtracted from \$36,000. The sum remaining is the amount of available entitlement for use, except that:

(i) Entitlement may be increased by up to \$14,750 if the loan amount exceeds \$144,000 and the loan is for purchase or construction of a home or purchase of a condominium; and

(ii) Entitlement for manufactured home loans that are to be guaranteed under 38 U.S.C. 3712 may not exceed \$20,000.

(2) If a veteran previously secured a realty (home) loan, the amount of realty (home) loan entitlement used is subtracted from \$36,000. The sum remaining is the amount of available entitlement for use, except that:

(i) Entitlement may be increased by up to \$14,750 if the loan amount exceeds \$144,000 and the loan is for purchase or construction of a home or purchase of a condominium; and