1. **PURPOSE.** This circular announces the enactment of the Veterans’ Benefits Act of 2010, and explains resulting changes, which relate to the VA Home Loan Program.

2. **BACKGROUND.** On October 13, 2010, President Obama signed H.R. 3219, the Veterans’ Benefits Act of 2010. This legislation makes several changes, which will impact various parts of the VA Home Loan Program.

3. **DETAILS**

   a. **Changes to funding fee exemption status.** Veterans who were in receipt of compensation (or but for the receipt of military retirement pay would be in receipt of compensation) have been exempt from paying the funding fee in conjunction with VA-guaranteed home loans. H.R. 3219 extends this exemption to individuals who were in receipt of compensation, but, either because they reenlisted or were recalled to active duty, are receiving active duty pay in lieu of compensation.

   b. **Creation of a Specially Adapted Housing (SAH) assistive technology grant program.** Pursuant to this statute, the Secretary is authorized to award up to $1 million per fiscal year in grant funds to research and develop assistive technologies for use in SAH. Grants to recipients are limited to $200,000 per fiscal year. Authority for this new grant program will begin October 1, 2011 and end September 30, 2016. It has not been determined which office within VA will be responsible for administering this program.

4. **ACTION.** The funding fee exemption status takes effect immediately. The technology grant provisions take effect October 1, 2011.

5. **QUESTIONS.** Please e-mail any questions regarding this circular to Erica Lewis, at erica.lewis@va.gov.

6. **RESCISSION:** This circular is rescinded October 1, 2012.

   By Direction of the Under Secretary for Benefits

   Richard Fyne, Acting Director
   Loan Guaranty Service

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