

IMPLEMENTATION OF
PUBLIC LAW 109-233, SECTION 101 – SPECIALLY ADAPTED HOUSING

1. PURPOSE: On June 15, 2006, the President signed P. L. 109-233, the Veterans Housing Opportunity and Benefits Act of 2006. This circular explains provisions for implementing Specially Adapted Housing (SAH) grant use, which is a portion of the new law.

2. BENEFIT CHANGES

a. Specially Adapted Housing

(1) This law enables an eligible veteran or active duty service member (SM) to receive up to a total of three SAH grants. This new benefit also extends to previous grant recipients. Prior to this law, grant recipients could only receive their SAH benefit from VA one time, regardless of the grant amount.

(a) Although a veteran or SM may now use the SAH benefit three times, the aggregate amount of assistance cannot exceed the maximum amounts allowable for grants authorized under Title 38, United States Code (U.S.C.), section 2101(a) or section 2101(b).

(b) However, under the new law, previous grant recipients cannot obtain a subsequent grant(s) to pay for adaptations made prior to June 15, 2006 or to reduce an existing mortgage principal for properties acquired prior to June 15, 2006.

(2) The law also establishes a new section 2102A of title 38, U.S.C. This new section provides for a Temporary Residence Adaptation (TRA) grant to assist a **veteran** in adapting a family member's home to meet the veteran's special needs. However, the law does not make **SMs** eligible for a TRA grant. Veterans eligible for a TRA grant are now permitted to use up to \$14,000 of the maximum grant amount for a section 2101(a) SAH grant or up to \$2,000 of the maximum amount for a section 2101(b) SHA grant. There is also a provision that states that no TRA grant assistance may be provided after June 15, 2011.

3. USAGE SCENARIOS: Please refer to Exhibit A for grant usage scenarios.

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4. ADMINISTRATION: Processing procedures for subsequent SAH grant use will be the same as the original SAH grant use. A VA Form 26-4555c, Supplemental Application for Specially Adapted Housing, or VA Form 26-4555d, Veterans Application for Assistance in Acquiring Special Housing Adaptations, must be submitted for each SAH grant approved. TAS/SAH must be documented with specifics for each grant use in the comments section of the 'Veterans Screen.' Please ensure that the type of use is noted (e.g., temporary grants, 2nd and 3rd use, as applicable) as well as the dollar amount of each grant use. If there is no SAH grant record in TAS/SAH, a new 'Veterans Screen' must be established for that veteran. A tracking system designed to record multiple grant uses will be available in the near future. Until this multiple use tracking system is in place, field stations must keep accurate and updated records on all SAH grant applications in TAS as well as provide a monthly update to Central Office (262B) on an Excel spreadsheet. A template of that Excel spreadsheet is included as Exhibit B. Please provide the completed spreadsheet to (262B) by COB of the last workday of the month.

5. HANDLING INQUIRIES: The Loan Guaranty Service outreach letter to veterans, which introduced the new law, will instruct them to contact VA with any questions about this new benefit. Regional Loan Centers will handle all veteran inquiries that are received. The Regional Loan Centers will also be responsible for handling any written correspondence they receive from veterans or other program participants.

6. STATION PROCEDURES: Stations should disseminate this information as widely as possible using their local websites. It is not necessary to prepare "hard copy" local releases, although, stations may do so at their discretion. Central Office will be placing this information on the Loan Guaranty website and there will also be a link from the portal.

7. RESCISSION: This circular is automatically rescinded on October 1, 2008.

By Direction of the Under Secretary for Benefits

Keith Pedigo, Director
Loan Guaranty Service

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Grant Usage Scenarios

The following tables illustrate, for veterans and service members, the maximum grant usage, maximum grant amounts and authorized temporary grant usage, as specified in the new law.

VETERANS

	Eligible for 2101(a)	Eligible for 2101(b)	Dually eligible for 2101(a) and 2101(b)
Maximum Grant Usage	Up to 3 grants	Up to 3 grants	Up to 3 grants
Maximum Grant Amounts	Combination of grants may not exceed \$50K	Combination of grants may not exceed \$10K	Assistance for veterans using both grants may not exceed \$60K <ul style="list-style-type: none"> • Combination of 2101(a) grants may not exceed \$50K • Combination of 2101(b) grants may not exceed \$10K • The 2102A (TRA) grant counts towards maximum grant amounts
Temporary Grant Usage	<p>If used, 2102A (TRA) grant is one-time use and may not exceed \$14K</p> <p>Use of 2102A (TRA) grant counts toward 'maximum grant usage'</p> <p>2102A grants may not be provided after June 15, 2011</p>	<p>If used, 2102A (TRA) grant is one-time use and may not exceed \$2K</p> <p>Use of 2102A (TRA) grant counts toward 'maximum grant usage'</p> <p>2102A grants may not be provided after June 15, 2011</p>	See previous columns

SERVICEMEMBERS (SMs)

	Eligible for 2101(a)	Eligible for 2101(b)	Dually eligible for 2101(a) and 2101(b)
Maximum Grant Usage	Up to 3 grants	Up to 3 grants	Up to 3 grants
Maximum Grant Amounts	Combination of grants may not exceed \$50K	Combination of grants may not exceed \$10K	Assistance for veterans using both grants may not exceed \$60K <ul style="list-style-type: none"> • Combination of 2101(a) grants may not exceed \$50K • Combination of 2101(b) grants may not exceed \$10K
Temporary Grant Usage	Usage of 2102A (TRA) grant is not authorized for servicemembers	Usage of 2102A (TRA) grant is not authorized for servicemembers	Usage of 2102A (TRA) grant is not authorized for servicemembers

November 8, 2006

Circular 26-06-7
 Exhibit B

Case Number	Veteran's Name: Last, First MI	SSN	Previous Grant Use Yes/No	Temporary Grant Yes/No	First Grant Approval Date	First Grant Amount	Date First Grant File Closed/Final Disbursement	Second Grant Approval Date	Second Grant Amount	Date Final Disbursement	Second Grant Disbursement	Third Grant Approval Date	Third Grant Amount	Date Final Disbursement Third Grant	Date of Death	Date of First SQC	Date Second SQC	Date Third SQC	Date File Closed	Date CO SQC 1st Grant	Date CO SQC 2nd Grant	Date CO SQC 3rd Grant	