

**Subpart 871.3—Education Program  
[Reserved]**

AUTHORITY: 10 U.S.C. ch. 106, 107, 1606; 38 U.S.C. 501, ch. 30, 31, 32, 35, 36, 37; 40 U.S.C. 486(c).

SOURCE: 49 FR 12641, Mar. 29, 1984, unless otherwise noted.

**Subpart 871.1—Loan Guaranty  
Program**

**871.100 Scope of subpart.**

This subpart sets forth policy and procedure with respect to the loan guaranty and direct loan programs as it pertains to property management, including the acquisition, management, and disposition of property, real, personal, or mixed, which were secured by loans guaranteed, insured, or made pursuant to Title 38, United States Code.

**871.101 Policy.**

All acquisitions for the repair and maintenance of VA property acquired under 38 U.S.C. Chapter 37 shall be made in accordance with FAR Parts 14, 15, and 16; (VAAR) 48 CFR Parts 814, 815, and 816; and (VAAR) 48 CFR subpart 871.1.

(Authority: 10 U.S.C. ch. 106, 107, 1606; 38 U.S.C. 501, ch. 37; 40 U.S.C. 486(c))

[61 FR 20493, May 7, 1996]

**871.102 Authorization for repairs to properties.**

(a) Except as provided in this subpart, Directors, Loan Guaranty Officers, and Assistant Loan Guaranty Officers, VA Regional Offices, are authorized to approve a repair program for any Department of Veterans Affairs property acquired under Chapter 37, Title 38, United States Code, where the cost does not exceed \$25,000. A repair program means the aggregate amount of the proposed contracts which are contemplated in a property analysis by the Loan Guaranty activity.

(b) In those cases where the expenditure is known or estimated to exceed \$25,000, the request, together with the loan guaranty folder, will be forwarded to the Under Secretary for Benefits for approval.

(c) During the period when the Department of Veterans Affairs has assumed custody of the property from a holder and prior to its conveyance to the Department of Veterans Affairs pursuant to 38 CFR 36.4320, repairs are authorized not in excess of \$3,500 when appropriate to make the property ready for sale at an earlier date than would otherwise be possible if the repair program was delayed until such time as the Department of Veterans Affairs acquired absolute title. In those cases where the expenditure is known or estimated to exceed \$3,500, the request, together with the loan guaranty folder, will be forwarded to the Under Secretary for Benefits for approval.

(d) No repairs may be made to property by the holder when it has continued custody except for emergency repairs not in excess of \$500 unless adequate notice has been given the Director, VA Regional Office. Emergency repairs as applied in this paragraph will be deemed to mean those requiring immediate action to preserve the property from serious damage or to correct a situation imminently dangerous to life or limb, and includes the initial cleanup of the property in order to prevent the risk of damage by fire or vandalism.

(e) An approved management broker may be authorized, at the time a property is assigned, to incur expenses for fuel and utilities or other recurring items which are required to be furnished by the Department of Veterans Affairs to its tenants or are required in the maintenance of the property. Advance blanket authorizations to management brokers will be limited to repairs not in excess of \$500 in any transaction, (the management broker will either submit receipts with the invoice or maintain such receipts for inspection). Expenditures in excess of \$500 require prior approval of the Director, Regional Office, having jurisdiction of the property. Repair jobs may not be split to circumvent this restriction.

[49 FR 12641, Mar. 29, 1984, as amended at 55 FR 31600, Aug. 3, 1990; 61 FR 20493, 20494, May 7, 1996; 63 FR 69223, Dec. 16, 1998]