

the aggregate, or by the private sector of \$100 million or more in any given year. This rule would have no consequential effect on State, local, or tribal governments.

List of Subjects in 38 CFR Part 19

Administrative practice and procedure, Claims, Veterans.

Approved: November 18, 2002.

Anthony J. Principi,
Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 19 is amended as set forth below:

PART 19—BOARD OF VETERANS' APPEALS: APPEALS REGULATIONS

1. The authority citation for part 19 continues to read as follows:

Authority: 38 U.S.C. 501(a), unless otherwise noted.

2. The section heading and section 19.2 are revised to read as follows:

§ 19.2 Composition of the Board; Titles.

(a) The Board consists of a Chairman, Vice Chairman, Deputy Vice Chairmen, Members and professional, administrative, clerical and stenographic personnel. Deputy Vice Chairmen are Members of the Board who are appointed to that office by the Secretary upon the recommendation of the Chairman.

(b) A member of the Board (other than the Chairman) may also be known as a Veterans Law Judge. An individual designated as an acting member pursuant to 38 U.S.C. 7101(c)(1) may also be known as an acting Veterans Law Judge.

(**Authority:** 38 U.S.C. 501(a), 512, 7101(a))
[FR Doc. 03-3040 Filed 2-7-03; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 36

RIN 2900-AL23

Loan Guaranty: Implementation of Public Law 107-103.

AGENCY: Department of Veterans Affairs.

ACTION: Interim final rule.

SUMMARY: The Department of Veterans Affairs (VA) amends its loan guaranty regulations to implement sections 401 through 404 of Pub. L. 107-103, the Veterans Education and Benefits Expansion Act of 2001. VA is incorporating into the regulations the following statutory changes: an increase

in the maximum amount of loan guaranty entitlement from \$50,750 to \$60,000, a liberalization of the requirements regarding Memoranda of Understanding between VA and Native American Tribes in order for their members to qualify for direct housing loans to Native American veterans, a revision of the requirement that loan instruments used in connection with VA guaranteed loans contain a statement that such loans are not assumable without prior VA approval, and an increase in the specially adapted housing grant from \$43,000 to \$48,000 and in the special housing adaptations grant from \$8,250 to \$9,250.

DATES: *Effective Date:* This interim final rule is effective February 10, 2003. Comments must be received on or before April 11, 2003.

ADDRESSES: Mail or hand deliver written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Avenue, NW., Room 1154, Washington, DC 20420; or fax comments to (202) 273-9289; or e-mail comments to OGCRegulations@mail.va.gov. Comments should indicate that they are submitted in response to "RIN 2900-AL23." All written comments received will be available for public inspection at the above address in the Office of Regulations Management, Room 1158, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

FOR FURTHER INFORMATION CONTACT: Mr. Robert D. Finneran, Assistant Director for Policy and Valuation (262), Loan Guaranty Service, Veterans Benefits Administration, Department of Veterans Affairs, Washington, DC 20420, (202) 273-7368.

SUPPLEMENTARY INFORMATION: Under 38 U.S.C. chapter 37, VA guarantees loans made by private lenders to veterans for the purchase, construction, and refinancing of homes owned and occupied by veterans. VA also makes direct housing loans to Native American veterans living on tribal trust land.

In addition, under 38 U.S.C. chapter 21, VA provides grants to certain severely-disabled veterans with qualifying permanent and total service-connected disabilities to make adaptations to their homes that are necessary because of the nature of the veterans' disabilities.

VA is amending its loan guaranty regulations (38 CFR part 36) to implement changes to those housing programs made by sections 401 through 404 of Pub. L. 107-103.

Section 401 of Pub. L. 107-103 increased the maximum guaranty on a

housing loan made to eligible veterans from \$50,750 to \$60,000. VA is making conforming changes to § 36.4302 to reflect the new statutory maximum.

Prior to enactment of Pub. L. 107-103, 38 U.S.C. 3762 required that, before VA could make a housing loan under 38 U.S.C. chapter 37, subchapter V to a Native American veteran, the tribal organization having jurisdiction over the veteran must have entered into a Memorandum of Understanding (MOU) with the Secretary of Veterans Affairs spelling out the conditions under which the program would operate on its trust lands. Section 402(b) of Pub. L. 107-103 allows VA to make loans under this program to a Native American veteran if the tribe has entered into an MOU with another Federal agency with regard to loans to Native Americans residing on tribal lands, so long as the Secretary of VA determines that the MOU substantially complies with VA's home loan requirements. VA is amending 38 CFR 36.4527 to reflect this change. The amendment requires that the MOU between the Tribe and the other Federal agency complies with the requirements now set forth in paragraph (b) of § 36.4527.

The goal of this statutory change and the new rule is to expand the number of Native American tribes participating in the VA Native American veteran direct loan program, ultimately increasing the number of Native American veterans obtaining housing loans from VA. VA is aware that many tribes do not wish to go through the process of negotiating an MOU with VA.

VA has participated in inter-agency task forces seeking to increase the availability of housing loans on Native American tribal trust land. These include the Executive Branch's One-Stop Mortgage Initiative during the Clinton Administration, and a task force created by the Federal National Mortgage Association (FNMA, commonly known as "Fannie Mae"). VA believes that the standards for an MOU contained in paragraph (b) of § 36.4527 mirror requirements by other Federal agencies. Therefore, an MOU between a tribe and another Federal agency would likely meet the requirements in paragraph (b).

VA specifically solicits comments from the public as to whether those requirements for an MOU between another Federal agency and a Native American tribe to be acceptable to VA are reasonable, or if they should be further modified.

Section 403 of Pub. L. 107-103 liberalized the requirement that loan instruments used in connection with VA guaranteed loans contain a