

**STATEMENT OF VETERAN
ASSUMING GI LOAN**
(Substitution of Entitlement)

PROPERTY ADDRESS:

INSTRUCTIONS: This form must be submitted to VA with VA Forms 26-6382 and 26-6807. Please carefully read the notice and certifications below and sign the form in Part III. A copy is provided for your records.

PART I. VETERAN'S NOTICE OF LIABILITY

As a GI home loan borrower you will be legally obligated to make the mortgage payments called for by your mortgage loan contract. The fact that you later dispose of your property **WILL NOT RELIEVE YOU OF LIABILITY FOR MAKING THESE PAYMENTS.**

Some GI home buyers have the mistaken impression that if they sell their homes when they move to another locality, or dispose of it for any other reason, they are no longer liable for the mortgage payments and that liability for these payments is solely that of the new owners. Unless you are able to sell the property to a credit-worthy purchaser, who is acceptable to VA and who will assume the payments of your obligation to the lender and the Department of Veterans Affairs, you will not be relieved from liability to repay any guaranty claim which VA may be required to pay your lender on account of default in your loan payments. The amount of any claim payment may be a debt owed by you to the Federal Government. Any debt will be the object of established collection procedures.

Payment of the loan in full ordinarily is the way in which continuing liability on a mortgage note is ended. Therefore, if you expect to move from this new home and should you be unable to sell it with the purchaser obtaining new financing to pay off your loan, or if you are unable to locate an eligible veteran willing to assume your loan and substitute his or her entitlement, you should understand that you may continue to be liable to the holder of your mortgage and to the Department of Veterans Affairs.

PART II. VETERAN'S CERTIFICATIONS

I, THE UNDERSIGNED VETERAN, CERTIFY THAT:

I have read and understand the foregoing notice concerning my liability on the loan.

I now actually occupy the property identified above as my home or intend to move into and occupy it as my home within a reasonable period of time after completion of the sale.

Neither I, nor anyone authorized to act for me, will refuse to sell or rent, after the making of a bonafide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the dwelling or property covered by this loan to any person because of race, color, religion, sex, handicap, familial status, or national origin. I realize that any restrictive covenant on this property relating to race, color, religion, sex, handicap, familial status or national origin is illegal and void; and civil action for preventive relief may be brought by the Attorney General of the United States in any appropriate U.S. District Court against any person responsible for the violation of the applicable law.

PART III. VETERAN'S AUTHORIZATION TO CHARGE ENTITLEMENT

I authorize VA to make a charge against my guaranty entitlement for the amount required to permit substitution of my entitlement for that of the veteran-seller.

(Signature of Purchaser)_____
(Date)