

VA will accept any note and security instrument that meets the requirements outlined in the Circular (and listed below).

- The note and security instrument must be executed in favor of the “Secretary of Veterans Affairs, an Officer of the United States”. The name of the incumbent Secretary should not be included unless State law requires naming a real person.
- Specific terms of the note and security instrument shall include the following:
  - o The amount to be repaid to the Secretary, by the veteran, is the amount calculated under §36.4805(e);
  - o Repayment in full is required immediately upon—
    - The veteran's transfer of title to the property; or
    - The refinancing or payment in full otherwise of the guaranteed loan with which the partial claim payment is associated.
  - o A veteran may make payments for the subordinate loan, in whole or in part, without charge or penalty. If the veteran makes a partial prepayment, there will be no changes in the due date unless VA agrees in writing to those changes.