Text as published on gao.gov, https://www.gao.gov/products/b-105429, archived 2026-09-11. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-105429 December 11, 1951

Number: B-105429

Date: 1951-12-11

B-105429 December 11, 1951

Mr. Levi H. Brown c/o W. Donnie Spry, Attorney at Law 592 Washington Street Winston-Salem, North Carolina

Dear Mr. Brown:

Reference is made to letter of July 21, 1951, from W. Donnie Spry, Attorney at Law, in effect requesting review of Office settlement dated July 9, 1951, whereby you were found to be indebted to the United States in the principal sum of $2,003.85, plus interest through June 30, 1951, in the amount of $32.68--a total of $1,036.53--arising from a payment made by the Veterans Administration on a guaranteed load in accordance with the provisions of the Serviceman's Readjustment Act of 1944 as amended.

The claim was forwarded to this Office by the Veterans Administration under date of February 20, 1951, and on the basis of the record this Office issued the said settlement of July 9, 1951.

Your contentions have been submitted by this Office to the Veterans Administration for consideration and an expression of views in the matter, and in report dated November 2, 1951, the Veterans Administration states:

"The loan was guaranteed under Section 505(a) of the Servicemen's Readjustment Act, the 58 Stat. 295 the primary mortgage having been insured by the Federal Housing Administration. The loan was guaranteed to the extent of 100% and following payment of the guaranty the note and second mortgage were assigned to the Administrator of Veterans Affairs. The primary mortgage was foreclosed and it was concluded that the property was not of sufficient value to warrant acquisition by the Veterans Administration in an effort to salvage a portion of the claim payment. The property was sold at foreclosure for an amount less than the primary mortgage indebtedness and, therefore, there was no excess to be applied in reduction of the second mortgage obligation. We do not know what disposition was made of the property by the successful bidder at foreclosure, nor is it material so far as the indebtedness due the government is concerned.

"It is true that the veteran was under 21 years of age at the time this obligation was created. However, it appears that the veteran's attorney has lost sight of the Minor Veterans Enabling Act which was passed by the General Assembly of North Carolina in the 1945 Session authorizing veterans between the ages of 18 and 21 who are eligible for the benefits of the Servicemen's Readjustment Act to execute valid contracts for the purchase of property and the execution of notes and other instruments in connection therewith. This Act may

be found in the General Statutes of North Carolina, Chapter 165, Article 2, Sections 165-12 through 165-18."

Attention is invited to the following provision of section 509 of the Servicemen's Readjustment Act of 1944, as amended (38 U.S. Code 6943(a)):

"The financial transactions of the Administrator incident to or arising out of, the guaranty of loans pursuant to this subchapter, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government."

In view of the foregoing, the action of this Office in certifying you to be indebted to the United States as above set out appears correct and hereby is sustained. Therefore, you are requested to make prompt payment of the said amount of $1,036.53 plus interest at 4 percent per annum on the principal sum of $1,003.85 from July 1, 1951, to date of payment, the check, draft or money order to be drawn payable to the Treasurer of the United States.

Very truly yours,

Lindsay C. Warren Comptroller General of the United States