

**Union Calendar No. 124**

103D CONGRESS  
1ST SESSION

**H. R. 949**

**[Report No. 103-222]**

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**A BILL**

To amend title 38, United States Code, to increase the amount of the loan guaranty for loans for the purchase or construction of homes.

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AUGUST 6, 1993

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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### IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 1993

Mr. SANGMEISTER introduced the following bill; which was referred to the Committee on Veterans' Affairs

AUGUST 6, 1993

Additional sponsors: Ms. BROWN of Florida, Mr. FILNER, Mrs. MALONEY, Mr. MONTGOMERY, Mr. KING, Mr. PENNY, Mr. TEJEDA, Mr. BISHOP, Mr. HEFNER, Mr. RICHARDSON, Mr. STENHOLM, Mr. PAYNE of Virginia, Mr. PARKER, and Mr. GENE GREEN of Texas

AUGUST 6, 1993

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 17, 1993]

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## A BILL

To amend title 38, United States Code, to increase the amount of the loan guaranty for loans for the purchase or construction of homes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN AMOUNT OF LOAN GUARANTY**  
 4 **FOR LOANS FOR THE PURCHASE OR CON-**  
 5 **STRUCTION OF HOMES.**

6 Subparagraphs ~~(A)(i)(IV)~~ and ~~(B)~~ of section  
 7 3703(a)(1) of title 38, United States Code, are each  
 8 amended by striking out “\$46,000” and inserting in lieu  
 9 thereof “\$50,750.”.

10 **SECTION 1. INCREASE IN AMOUNT OF LOAN GUARANTY**  
 11 **FOR LOANS FOR THE PURCHASE OR CON-**  
 12 **STRUCTION OF HOMES.**

13 *Subparagraphs (A)(i)(IV) and (B) of section*  
 14 *3703(a)(1) of title 38, United States Code, are each amend-*  
 15 *ed by striking out “\$46,000” and inserting in lieu thereof*  
 16 *“\$50,750”.*

17 **SEC. 2. MORTGAGE PAYMENT ASSISTANCE TO AVOID FORE-**  
 18 **CLOSURE OF HOME LOANS GUARANTEED**  
 19 **UNDER TITLE 38.**

20 *(a) IN GENERAL.—(1) Chapter 37 of title 38, United*  
 21 *States Code, is amended by inserting after section 3714 the*  
 22 *following new section:*

23 **“§ 3715. Loans to refinance delinquent indebtedness**

24 *“(a)(1) The Secretary may, at the Secretary’s option,*  
 25 *provide assistance to a veteran under this section for the*

1 *purpose of avoiding the foreclosure of a housing loan made*  
2 *to that veteran and guaranteed by the Secretary under sec-*  
3 *tion 3710 or 3712 of this title (hereinafter in this section*  
4 *referred to as a 'primary loan').*

5 *“(2) Assistance under this section shall be in the form*  
6 *of a loan to the veteran. Such assistance may be provided*  
7 *only if—*

8 *“(A) the dwelling that secures the primary loan*  
9 *is the current residence of the veteran and is occupied*  
10 *by the veteran as the veteran’s home;*

11 *“(B) the veteran is delinquent in payments on*  
12 *that primary loan and the holder has submitted the*  
13 *notice of default as required by section 3732(a)(2)*  
14 *and is unwilling to grant forbearance;*

15 *“(C) the veteran has lost employment or has en-*  
16 *countered circumstances beyond his control which af-*  
17 *fect his ability to maintain mortgage payments; and*

18 *“(D) the Secretary determines that there is a*  
19 *reasonable prospect that the veteran will be able to re-*  
20 *sume payment on the primary loan within six*  
21 *months after receiving assistance under this section.*

22 *“(3) For the purposes of this section, the term ‘veteran’*  
23 *includes the surviving spouse of a veteran if the surviving*  
24 *spouse was a co-obligor of the primary loan.*

1       “(b)(1) A loan under this section shall be advanced to  
2 the holder of the primary loan. The amount of the loan  
3 under this subsection shall first be applied to the amount  
4 delinquent on the loan guaranteed under this chapter in-  
5 cluding any amount delinquent on taxes, assessments, haz-  
6 ard insurance, and late charges required by the holder to  
7 be included in the veteran’s monthly payment on the mort-  
8 gage. Any remaining amount of such loan shall be retained  
9 by the holder and shall be applied to future payments, in-  
10 cluding taxes, assessments, and hazard insurance, due on  
11 the loan and unpaid (in whole or in part) on the date the  
12 payment becomes due.

13       “(2) The Secretary may make more than one loan  
14 under this section to a veteran. The total amount of loans  
15 under this section to any veteran may not exceed \$10,000.

16       “(c) A loan under this section—

17               “(1) shall bear no interest until the date on  
18 which payments on the primary loan (including  
19 amounts for taxes, assessments, hazard insurance, and  
20 late charges required by the holder to be included in  
21 the veteran’s monthly payment on the mortgage) are  
22 current, and thereafter shall bear interest at a rate  
23 determined by the Secretary;

1           “(2) shall be secured by a lien on the property  
2           securing the primary loan and by such other security  
3           as the Secretary may require; and

4           “(3) shall be subject to such additional terms  
5           and conditions as the Secretary may require.

6           “(d) As a condition of receiving a loan under this sec-  
7           tion the veteran shall execute an agreement, in such form  
8           as the Secretary may prescribe, to repay the loan within  
9           a reasonable period of time, as determined by the Secretary,  
10          not to exceed 15 years from the date on which such loan  
11          is made. If the Secretary determines that the veteran has  
12          sufficient income or other resources to do so, the Secretary  
13          may require the veteran to make partial payments on the  
14          primary loan guaranteed under this chapter during the pe-  
15          riod the holder of that loan is applying the amount of the  
16          loan under this section to payments becoming due on the  
17          primary loan.

18          “(e) Notwithstanding any other law, the Secretary  
19          may employ attorneys to bring suit to collect any amount  
20          of a loan under this section on which the veteran to whom  
21          the loan is made is in default.

22          “(f) The Secretary’s decisions on any question of law  
23          or fact regarding assistance under this section, including  
24          whether or not to grant such assistance and the terms and  
25          conditions under which such assistance is granted or not

1 *granted, shall be final and conclusive, and no other official*  
2 *or any court of the United States shall have power or juris-*  
3 *isdiction to review any such decision by an action in the*  
4 *nature of mandamus or otherwise.*

5 *“(g) A loan under this section shall be made from the*  
6 *fund established under section 3724 or 3725 of this title*  
7 *that is available with respect to the primary loan in connec-*  
8 *tion with which the loan is made under this section.”.*

9 *(2) The table of sections at the beginning of such chap-*  
10 *ter is amended by inserting after the item relating to section*  
11 *3714 the following new item:*

*“3715. Loans to refinance delinquent indebtedness.”.*

12 *(b) EFFECTIVE DATE.—The amendments made by sub-*  
13 *section (a) shall take effect at the end of the 60-day period*  
14 *beginning on the date of the enactment of this Act.*

15 **SEC. 3. FINANCING OF DISCOUNT POINTS.**

16 *Section 3703(c)(4)(B) of title 38, United States Code,*  
17 *is amended in the second sentence by striking out “Dis-*  
18 *count” and inserting in lieu thereof “Except in the case*  
19 *of a loan for the purpose specified in section 3710(a)(8),*  
20 *3710(b)(7), or section 3712(a)(1)(F) of this title, discount”.*

21 **SEC. 4. RATE ADJUSTMENTS FOR ADJUSTABLE RATE MORT-**  
22 **GAGES.**

23 *Section 3707(b)(2) of title 38, United States Code, is*  
24 *amended by striking out “on the anniversary of the date*  
25 *on which the loan was closed”.*

1 **SEC. 5. CEMETERY PLOT ALLOWANCE FOR VETERANS ELI-**  
2 **GIBLE FOR BURIAL IN A NATIONAL CEME-**  
3 **TERY BUT INTERRED IN A STATE VETERANS**  
4 **CEMETERY.**

5 *Section 2303 of title 38, United States Code, is amend-*  
6 *ed by adding at the end thereof the following:*

7 *“(c) In addition to the benefits provided for under sec-*  
8 *tion 2302 of this title and subsection (a) of this section,*  
9 *in the case of a veteran who—*

10 *“(1) is eligible for burial in a national cemetery*  
11 *under section 2402 of this title, and*

12 *“(2) is buried (without charge for the cost of a*  
13 *plot or interment) in a cemetery, or a section of a*  
14 *cemetery, that (A) is used solely for the interment of*  
15 *persons eligible for burial in a national cemetery, and*  
16 *(B) is owned by a State or by an agency or political*  
17 *subdivision of a State,*

18 *the Secretary shall pay to such State, agency, or political*  
19 *subdivision the sum of \$150 as a plot or interment allow-*  
20 *ance for such veteran.”.*

21 **SEC. 6. INCREASE IN FEDERAL AID TO STATES VETERANS’**  
22 **CEMETERIES.**

23 *Paragraphs (1) and (2) of section 2408(b) are each*  
24 *amended by striking out “50 percent” and inserting in lieu*  
25 *thereof “65 percent.”.*

1 **SEC. 7. EXTENSION OF AUTHORIZATION OF APPROPRIA-**  
2 **TIONS FOR STATE CEMETERY GRANT PRO-**  
3 **GRAM.**

4 *Paragraph (2) of section 2408(a) of title 38, United*  
5 *States Code, is amended by striking out “nine” and insert-*  
6 *ing in lieu thereof “fourteen”.*

7 **SEC. 8. REMOVAL OF FUNDING REQUIREMENT OF HOME-**  
8 **LESS VETERANS COMPREHENSIVE SERVICE**  
9 **PROGRAMS ACT OF 1992.**

10 *Section 12 of the Homeless Veterans Comprehensive*  
11 *Service Programs Act of 1992 (38 U.S.C. 7721 note) is*  
12 *amended by striking out the second sentence.*

Amend the title so as to read: “A bill to amend title 38, United States Code, to improve the veterans’ home loan guaranty program and the State cemetery grants program, and for other purposes.”.