

Union Calendar No. 283

107TH CONGRESS
2^D SESSION

H. R. 4085

[Report No. 107-472]

To increase, effective as of December 1, 2002, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2002

Mr. SMITH of New Jersey (for himself, Mr. EVANS, Mr. SIMPSON, and Mr. REYES) introduced the following bill; which was referred to the Committee on Veterans' Affairs

MAY 16, 2002

Additional sponsors: Mr. JEFF MILLER of Florida, Ms. BROWN of Florida, Mr. RODRIGUEZ, Mr. ANDREWS, Mr. SHOWS, Mr. FALEOMAVAEGA, Mr. LYNCH, Mr. EDWARDS, Mr. FILNER, Ms. MCKINNEY, Ms. CARSON of Indiana, Mr. GUTIERREZ, Mr. FOLEY, Mrs. CAPPS, Mr. UDALL of New Mexico, Mr. STUMP, Ms. BERKLEY, Mr. BILIRAKIS, Mr. HOLDEN, and Mrs. DAVIS of California

MAY 16, 2002

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 April 9, 2002]

A BILL

To increase, effective as of December 1, 2002, the rates

of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes.

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. SHORT TITLE.**

4 *This Act may be cited as the “Veterans’ and Survivors’*
5 *Benefits Expansion Act of 2002”.*

6 **SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION**
7 **AND DEPENDENCY AND INDEMNITY COM-**
8 **PENSATION.**

9 (a) *RATE ADJUSTMENT.*—*The Secretary of Veterans*
10 *Affairs shall, effective on December 1, 2002, increase the dol-*
11 *lar amounts in effect for the payment of disability com-*
12 *pensation and dependency and indemnity compensation by*
13 *the Secretary, as specified in subsection (b).*

14 (b) *AMOUNTS TO BE INCREASED.*—*The dollar*
15 *amounts to be increased pursuant to subsection (a) are the*
16 *following:*

17 (1) *COMPENSATION.*—*Each of the dollar amounts*
18 *in effect under section 1114 of title 38, United States*
19 *Code.*

20 (2) *ADDITIONAL COMPENSATION FOR DEPEND-*
21 *ENTS.*—*Each of the dollar amounts in effect under*
22 *sections 1115(1) of such title.*

1 (3) *CLOTHING ALLOWANCE.*—*The dollar amount*
2 *in effect under section 1162 of such title.*

3 (4) *NEW DIC RATES.*—*The dollar amounts in ef-*
4 *fect under paragraphs (1) and (2) of section 1311(a)*
5 *of such title.*

6 (5) *OLD DIC RATES.*—*Each of the dollar*
7 *amounts in effect under section 1311(a)(3) of such*
8 *title.*

9 (6) *ADDITIONAL DIC FOR SURVIVING SPOUSES*
10 *WITH MINOR CHILDREN.*—*The dollar amount in effect*
11 *under section 1311(b) of such title.*

12 (7) *ADDITIONAL DIC FOR DISABILITY.*—*The dol-*
13 *lar amounts in effect under sections 1311(c) and*
14 *1311(d) of such title.*

15 (8) *DIC FOR DEPENDENT CHILDREN.*—*The dol-*
16 *lar amounts in effect under sections 1313(a) and*
17 *1314 of such title.*

18 (c) *DETERMINATION OF INCREASE.*—(1) *The increase*
19 *under subsection (a) shall be made in the dollar amounts*
20 *specified in subsection (b) as in effect on November 30,*
21 *2002.*

22 (2) *Except as provided in paragraph (3), each such*
23 *amount shall be increased by the same percentage as the*
24 *percentage by which benefit amounts payable under title II*
25 *of the Social Security Act (42 U.S.C. 401 et seq.) are in-*

1 *creased effective December 1, 2002, as a result of a deter-*
2 *mination under section 215(i) of such Act (42 U.S.C.*
3 *415(i)).*

4 *(3) Each dollar amount increased pursuant to para-*
5 *graph (2) shall, if not a whole dollar amount, be rounded*
6 *down to the next lower whole dollar amount.*

7 *(d) SPECIAL RULE.—The Secretary may adjust ad-*
8 *ministratively, consistent with the increases made under*
9 *subsection (a), the rates of disability compensation payable*
10 *to persons within the purview of section 10 of Public Law*
11 *85–857 (72 Stat. 1263) who are not in receipt of compensa-*
12 *tion payable pursuant to chapter 11 of title 38, United*
13 *States Code.*

14 *(e) PUBLICATION OF ADJUSTED RATES.—At the same*
15 *time as the matters specified in section 215(i)(2)(D) of the*
16 *Social Security Act (42 U.S.C. 415(i)(2)(D)) are required*
17 *to be published by reason of a determination made under*
18 *section 215(i) of such Act during fiscal year 2003, the Sec-*
19 *retary of Veterans Affairs shall publish in the Federal Reg-*
20 *ister the amounts specified in subsection (b), as increased*
21 *pursuant to that section.*

1 **SEC. 3. RETENTION OF DEPENDENCY AND INDEMNITY COM-**
2 **PENSATION FOR SURVIVING SPOUSES RE-**
3 **MARRYING AFTER AGE 65.**

4 (a) *EXCEPTION TO TERMINATION OF BENEFITS UPON*
5 *REMARRIAGE.*—Paragraph (2) of section 103(d) of title 38,
6 *United States Code, is amended by striking “if the remar-*
7 *riage” and all that follows and inserting “if—*

8 *“(A) the remarriage occurs after the surviving*
9 *spouse attains age 65 ;*

10 *“(B) the remarriage has been terminated by*
11 *death; or*

12 *“(C) the remarriage has been terminated by di-*
13 *vorce, unless the Secretary determines that the divorce*
14 *was secured through fraud or collusion.”.*

15 (b) *CONFORMING AMENDMENTS.*—Paragraph (4) of
16 *such section is amended—*

17 *(1) by striking “The first month” and all the fol-*
18 *lows through “shall be” and inserting the following*
19 *“When eligibility for benefits for a surviving spouse*
20 *is restored by reason of this subsection, the first*
21 *month of eligibility for such benefits shall be”; and*

22 *(2) in subparagraph (A), by striking “described*
23 *in” and inserting “with a remarriage described in*
24 *subparagraph (B) or (C) of”.*

1 (c) *INCLUSION OF DEATH COMPENSATION AMONG RE-*
2 *STORED BENEFITS.*—*Subparagraph (A) of paragraph (5)*
3 *of such section is amended to read as follows:*

4 “(A) *Sections 1121 and 1311, relating to death*
5 *compensation and dependency and indemnity com-*
6 *ensation, respectively.*”.

7 (d) *APPLICATION FOR BENEFITS.*—*In the case of an*
8 *individual who but for having remarried would be eligible*
9 *for dependency and indemnity compensation under section*
10 *1311 of title 38, United States Code, or death compensation*
11 *under section 1121 of such title, and whose remarriage was*
12 *before the date of the enactment of this Act and after the*
13 *individual had attained age 65, the individual shall be eli-*
14 *gible for such compensation by reason of the amendments*
15 *made by subsection (a) only if the individual submits an*
16 *application for such compensation to the Secretary of Vet-*
17 *erans Affairs not later than the end of the one-year period*
18 *beginning on the date of the enactment of this Act.*

19 (e) *COORDINATION OF BENEFITS.*—*Section 1311 of*
20 *such title is amended by adding at the end the following*
21 *new subsection:*

22 “(e) *In the case of an individual who is eligible for*
23 *dependency and indemnity compensation under this section*
24 *by reason of section 103(d)(2)(A) of this title who is also*
25 *eligible for benefits under another provision of law by rea-*

1 son of such individual's status as the surviving spouse of
 2 a veteran, then, notwithstanding any other provision of
 3 law, no reduction in benefits under such other provision of
 4 law shall be made by reason of such individual's eligibility
 5 for benefits under this section.”.

6 **SEC. 4. UNIFORM HOME LOAN GUARANTY FEES FOR QUALI-**
 7 **FYING MEMBERS OF THE SELECTED RESERVE**
 8 **AND ACTIVE DUTY VETERANS.**

9 (a) *IN GENERAL.*—Paragraph (2) of section 3729(b)
 10 of title 38, United States Code, is amended—

11 (1) by inserting “(A)” after “(2)”;

12 (2) by inserting “for any loan closed after Sep-
 13 tember 30, 2005” after “paragraph (1)”; and

14 (3) by adding at the end the following:

15 “(B) The loan fee table referred to in paragraph (1)
 16 for any loan closed during the period beginning on October
 17 1, 2002, and ending on September 30, 2005, is as follows:

“LOAN FEE TABLE

Type of loan	Veteran	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed before October 1, 2008)	2.00	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2008)	1.25	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed before October 1, 2008)	3.00	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2008)	1.25	NA

“LOAN FEE TABLE—Continued

<i>Type of loan</i>	<i>Veteran</i>	<i>Other obligor</i>
<i>(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before October 1, 2008)</i>	1.50	NA
<i>(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2008)</i>	0.75	NA
<i>(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before October 1, 2008) ..</i>	1.25	NA
<i>(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2008)</i>	0.50	NA
<i>(E) Interest rate reduction refinancing loan</i>	0.50	NA
<i>(F) Direct loan under section 3711</i>	1.00	NA
<i>(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)</i>	1.00	NA
<i>(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)</i>	1.25	NA
<i>(I) Loan assumption under section 3714</i>	0.50	0.50
<i>(J) Loan under section 3733(a)</i>	2.25	2.25”.

1 **(b) CONFORMING AMENDMENT.**—*Paragraph (4)(A) of*
2 *such section is amended by inserting before the period at*
3 *the end the following: “, and the term ‘veteran’ means any*
4 *veteran eligible for the benefits of this chapter”.*

5 **SEC. 5. LIFE INSURANCE PROGRAMS.**

6 **(a) INCREASE OF VETERANS’ MORTGAGE LIFE INSUR-**
7 **ANCE COVERAGE TO \$150,000.**—*(1) Section 2106(b) of title*
8 *38, United States Code, is amended by striking “\$90,000”*
9 *and inserting “\$150,000”.*

10 **(2) The amendment made by paragraph (1) shall**
11 *apply with respect to insurance payable under section 2106*
12 *of title 38, United States Code, in the case of a veteran*
13 *insured under that section who dies on or after the date*
14 *of enactment of this Act.*

1 **(b) AUTHORITY FOR VETERANS' MORTGAGE LIFE IN-**
 2 **SURANCE TO BE CARRIED BEYOND AGE 70.—Section 2106**
 3 **of such title is amended—**

4 (1) *in subsection (a), by inserting “age 69 or*
 5 *younger” after “any eligible veteran”; and*

6 (2) *in subsection (i), by striking paragraph (2)*
 7 *and redesignating paragraphs (3) and (4) as para-*
 8 *graphs (2) and (3), respectively.*

9 **SEC. 6. INCREASE IN AGGREGATE ANNUAL AMOUNT AVAIL-**
 10 **ABLE FOR STATE APPROVING AGENCIES FOR**
 11 **ADMINISTRATIVE EXPENSES FOR FISCAL**
 12 **YEARS 2003, 2004, AND 2005.**

13 *Section 3674(a)(4) of title 38, United States Code, is*
 14 *amended by inserting before the period at the end of the*
 15 *first sentence the following: “, and for each of fiscal years*
 16 *2003, 2004, and 2005, \$18,000,000”.*

Amend the title so as to read: “A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of compensation for veterans with service-connected disability and dependency and indemnity compensation for surviving spouses of such veterans, to expand certain benefits for veterans and their survivors, and for other purposes.”.

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