

110TH CONGRESS
1ST SESSION

H. R. 2385

To provide and enhance education, housing, and entrepreneur assistance for veterans who serve in the Armed Forces after September 11, 2001, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2007

Mr. PATRICK J. MURPHY of Pennsylvania introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committees on Armed Services and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide and enhance education, housing, and entrepreneur assistance for veterans who serve in the Armed Forces after September 11, 2001, 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 "21st Century GI Bill
5 of Rights Act of 2007".

1 **SEC. 2. EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE**
 2 **ARMED FORCES WHO SERVE AFTER SEP-**
 3 **TEMBER 11, 2001.**

4 (a) EDUCATIONAL ASSISTANCE AUTHORIZED.—

5 (1) IN GENERAL.—Part III of title 38, United
 6 States Code, is amended by inserting after chapter
 7 32 the following new chapter:

8 **“CHAPTER 33—EDUCATIONAL ASSIST-**
 9 **ANCE FOR SERVICE AFTER SEP-**
 10 **TEMBER 11, 2001**

“SUBCHAPTER I—DEFINITIONS

“Sec.

“3301. Definitions.

“SUBCHAPTER II—EDUCATIONAL ASSISTANCE

“3311. Educational assistance for service in the Armed Forces after September
 11, 2001: entitlement.

“3312. Educational assistance: duration.

“3313. Educational assistance: payment; amount.

“3314. Tutorial assistance.

“3315. Licensure and certification tests.

“SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

“3321. Time limitation for use of and eligibility for entitlement.

“3322. Bar to duplication of educational assistance benefits.

“3323. Administration.

“3324. Allocation of administration and costs.

11 “SUBCHAPTER I—DEFINITIONS

12 **“§ 3301. Definitions**

13 “In this chapter:

14 “(1) The term ‘active duty’ has the meaning
 15 given such term in sections 101 and 3002(7) of this

1 title and includes the limitations specified in section
2 3002(6) of this title.

3 “(2) The terms ‘program of education’, ‘Sec-
4 retary of Defense’, and ‘Selected Reserve’ have the
5 meaning given such terms in section 3002 of this
6 title.

7 “SUBCHAPTER II—EDUCATIONAL ASSISTANCE
8 **“§ 3311. Educational assistance for service in the**
9 **Armed Forces after September 11, 2001:**
10 **entitlement**

11 “(a) ENTITLEMENT.—Except as provided in sub-
12 section (c), each individual described in subsection (b) is
13 entitled to educational assistance under this chapter.

14 “(b) COVERED INDIVIDUALS.—An individual de-
15 scribed in this subsection is any individual as follows:

16 “(1) A member of the Armed Forces who, while
17 serving on active duty in the Armed Forces after
18 September 11, 2001, is deployed overseas.

19 “(2) A member of the Armed Forces or a Re-
20 serve of the Armed Forces (including a member of
21 the National Guard and a member of the Reserves)
22 who—

23 “(A) serves on active duty in the Armed
24 Forces after September 11, 2001, for an aggre-
25 gate of at least two years; or

1 “(B) before completing the aggregate of
2 service described in subparagraph (A) while
3 serving on active duty in the Armed Forces
4 after September 11, 2001, is discharged as de-
5 scribed in subsection (d) after that date.

6 “(c) EXCEPTION FOR INDIVIDUALS WHO RECEIVE A
7 COMMISSION AS AN OFFICER UPON GRADUATION FROM
8 AN ACADEMY.—An individual who receives a commission
9 as an officer in the Armed Forces upon graduation from
10 the United States Military Academy, the United States
11 Naval Academy, the United States Air Force Academy,
12 the United States Merchant Marine Academy, or the
13 Coast Guard Academy is not entitled to educational assist-
14 ance under this chapter.

15 “(d) CERTAIN DISCHARGE OR RELEASE PROVIDING
16 EXCEPTION FROM SERVICE REQUIREMENTS.—A dis-
17 charge or release described in this subsection is a dis-
18 charge or release from service in the Armed Forces for—

19 “(1) a service-connected disability;

20 “(2) a medical condition which preexisted such
21 service and which the Secretary determines is not
22 service-connected;

23 “(3) hardship; or

24 “(4) a physical or mental condition that was
25 not characterized as a disability and did not result

1 from the individual's own willful misconduct but did
2 interfere with the individual's performance of duty,
3 as determined by the Secretary of each military de-
4 partment in accordance with regulations prescribed
5 by the Secretary of Defense.

6 **“§ 3312. Educational assistance: duration**

7 “Subject to section 3695 of this title, an individual
8 entitled to educational assistance under section 3311 of
9 this title is entitled to 36 months, which is the equivalent
10 of four academic years, of educational assistance under
11 section 3313 of this title.

12 **“§ 3313. Educational assistance: payment; amount**

13 “(a) PAYMENT.—The Secretary shall pay to each in-
14 dividual entitled to educational assistance under this chap-
15 ter who is pursuing an approved program of education
16 (other than a program covered by subsections (e) and (f))
17 the amounts specified in subsection (c) to meet the ex-
18 penses of such individual's subsistence, tuition, fees, and
19 other educational costs for pursuit of such program of
20 education.

21 “(b) APPROVED PROGRAMS OF EDUCATION.—(1)
22 Except as provided in paragraph (1), a program of edu-
23 cation is an approved program of education for purposes
24 of this chapter if the program of education is approved
25 for purposes of chapter 30 of this title.

1 “(2) A program of education to obtain a graduate
2 degree is not an approved program of education for the
3 purposes of this chapter.

4 “(c) AMOUNT OF EDUCATIONAL ASSISTANCE.—(1)
5 The amounts payable under this subsection for pursuit of
6 an approved program of education are amounts as follows:

7 “(A) An amount equal to the established
8 charges (as determined in accordance with sub-
9 section (h)) for the program of education.

10 “(B) Subject to paragraph (2), an amount
11 equal to the room and board of the individual.

12 “(2) The amount payable under paragraph (1)(B) for
13 room and board of an individual may not exceed an
14 amount equal to the standard dormitory fee, or such
15 equivalent fee as the Secretary shall specify in regulations,
16 which similarly circumstanced nonveterans enrolled in the
17 program of education involved would be required to pay.

18 “(d) FREQUENCY OF PAYMENT.—(1) Payment of the
19 amounts payable under subsection (c)(1) for pursuit of a
20 program of education shall be made at such time and with
21 such frequency as the Secretary shall prescribe for pur-
22 poses of this chapter. Such payment may include payment
23 in a lump-sum amount for the entire quarter, semester,
24 or term, as applicable, of the program of education before
25 the commencement of such quarter, semester, or term.

1 “(2) The Secretary shall prescribe in regulations
2 methods for determining the number of months (including
3 fractions thereof) of entitlement of an individual to edu-
4 cational assistance under this chapter that are chargeable
5 under this chapter for payments of amounts in accordance
6 with this subsection, including payments on a lump-sum
7 basis in advance as authorized by paragraph (1).

8 “(3) Payment of amounts described in paragraph (1)
9 for pursuit of a program of education may not be made
10 to an individual before the date of the enrollment of such
11 individual in the program of education for which payment
12 is sought by such individual.

13 “(e) PROGRAMS OF EDUCATION PURSUED ON AC-
14 TIVE DUTY.—(1) Educational assistance is payable under
15 this chapter for pursuit of an approved program of edu-
16 cation while on active duty.

17 “(2) The amount of educational assistance payable
18 under this chapter to an individual pursuing a program
19 of education while on active duty is the lesser of—

20 “(A) the established charges (as determined in
21 accordance with subsection (h)) for the program of
22 education; or

23 “(B) the amount of the charges of the edu-
24 cational institution as elected by the individual in
25 the manner specified in section 3014(b) of this title.

1 “(3) Payment of the amount payable under para-
2 graph (2) for pursuit of a program of education shall be
3 made in a lump-sum amount for the entire quarter, semes-
4 ter, or term, as applicable, of the program of education
5 before the commencement of such quarter, semester, or
6 term.

7 “(4) For each month (as determined pursuant to the
8 methods prescribed under subsection (d)(2)) for which
9 amounts are paid an individual under this subsection, the
10 entitlement of the individual to educational assistance
11 under this chapter shall be charged at the rate of one
12 month for each such month.

13 “(f) PROGRAMS OF EDUCATION PURSUED ON LESS
14 THAN HALF-TIME BASIS.—(1) Educational assistance is
15 payable under this chapter for pursuit of an approved pro-
16 gram of education on less than half-time basis.

17 “(2) The amount of educational assistance payable
18 under this chapter to an individual pursuing a program
19 of education on less than half-time basis is the established
20 charges (as determined in accordance with subsection (h))
21 for the program of education.

22 “(3) Payment of the amount payable under this chap-
23 ter to an individual for pursuit of a program of education
24 on less than half-time basis shall be made in a lump-sum,
25 and shall be made not later than the last day of the month

1 immediately following the month in which certification is
2 received from the educational institution involved that the
3 individual has enrolled in and is pursuing a program of
4 education at the institution.

5 “(4) For each month (as determined pursuant to the
6 methods prescribed under subsection (d)(2)) for which
7 amounts are paid an individual under this subsection, the
8 entitlement of the individual to educational assistance
9 under this chapter shall be charged at a percentage of a
10 month equal to—

11 “(A) the number of course hours borne by the
12 individual in pursuit of the program of education in-
13 volved, divided by

14 “(B) the number of course hours for full-time
15 pursuit of such program of education.

16 “(g) SPECIALIZED TRAINING AND CERTIFICATION
17 AND LICENSING PROGRAMS FOR VETERANS WITH SERV-
18 ICE-CONNECTED DISABILITIES.—(1) Educational assist-
19 ance is payable under this chapter for an approved pro-
20 gram of education that—

21 “(A) consists of specialized training for vet-
22 erans with service-connected disabilities;

23 “(B) is a certification program for veterans
24 with service-connected disabilities; or

1 “(C) is a licensing program for veterans with
2 service-connected disabilities.

3 “(2) The amount of educational assistance payable
4 under this chapter to an individual pursuing a program
5 of education pursuant to paragraph (1) is the established
6 charges (as determined in accordance with subsection (h))
7 for the program of education.

8 “(h) ESTABLISHED CHARGES.—(1) Subject to the
9 provisions of this subsection, in subsections (c), (e), (f),
10 and (g) the term ‘established charges’, in the case of a
11 program of education, means the actual charges (as deter-
12 mined pursuant to regulations prescribed by the Secretary
13 in consultation with the Secretary of Education) for tui-
14 tion, fees (including required supplies, books, and equip-
15 ment), and other educational costs which similarly
16 circumstanced nonveterans enrolled in the program of
17 education would be required to pay.

18 “(2) The maximum amount of charges payable for
19 tuition under this subsection as part of the established
20 charges for a program of education pursued by an indi-
21 vidual under subsections (c), (e), (f), and (g) may not ex-
22 ceed the national average amount of tuition regularly
23 charged for full-time pursuit of programs of education at
24 public and private institutions of higher education that

1 typically require 36 months, which is the equivalent of
2 four academic years, to complete.

3 “(3) Established charges shall be determined for pur-
4 poses of this subsection on the following basis:

5 “(A) In the case of an individual enrolled in a
6 program of education offered on a term, quarter, or
7 semester basis, the tuition and fees charged the indi-
8 vidual for the term, quarter, or semester.

9 “(B) In the case of an individual enrolled in a
10 program of education not offered on a term, quarter,
11 or semester basis, the tuition and fees charged the
12 individual for the entire program of education.

13 **“§ 3314. Tutorial assistance**

14 “(a) IN GENERAL.—Subject to subsection (b), an in-
15 dividual entitled to educational assistance under this chap-
16 ter shall also be entitled to benefits provided an eligible
17 veteran under section 3492 of this title.

18 “(b) CONDITIONS.—The provision of benefits under
19 subsection (a) shall be subject to the conditions applicable
20 to an eligible veteran under section 3492 of this title.

21 “(c) NO CHARGE AGAINST ENTITLEMENT.—Any
22 benefits provided an individual under subsection (a) are
23 in addition to any other educational assistance benefits
24 provided the individual under this chapter.

1 **“§ 3315. Licensure and certification tests**

2 “(a) IN GENERAL.—An individual entitled to edu-
3 cational assistance under this chapter shall also be entitled
4 to payment for licensing or certification tests described in
5 section 3452(b) of this title.

6 “(b) NO CHARGE AGAINST ENTITLEMENT.—Any
7 amount paid an individual under subsection (a) is in addi-
8 tion to any other educational assistance benefits provided
9 the individual under this chapter.

10 “SUBCHAPTER III—ADMINISTRATIVE
11 PROVISIONS

12 **“§ 3321. Time limitation for use of and eligibility for**
13 **entitlement**

14 “(a) IN GENERAL.—Except as otherwise provided in
15 subsection (b), the period during which an individual enti-
16 tled to educational assistance under this chapter may use
17 such individual’s entitlement expires at the end of the 10-
18 year period beginning on the date of such individual’s last
19 discharge or release from active duty.

20 “(b) EXCEPTIONS.—(1) Subsections (b), (c), and (d)
21 of section 3031 of this title shall apply with respect to
22 the running of the 10-year period described in subsection
23 (a) of this section in the same manner as such subsections
24 apply under section 3031 of this title with respect to the
25 running of the 10-year period described in section 3031(a)
26 of this title.

1 counted as a period of service for entitlement to edu-
2 cational assistance under this chapter.

3 “(c) SERVICE IN SELECTED RESERVE.—An indi-
4 vidual who serves in the Selected Reserve may receive
5 credit for such service under only one of this chapter,
6 chapter 30 of this title, and chapters 1606 and 1607 of
7 title 10, and shall elect (in such form and manner as the
8 Secretary may prescribe) under which chapter such service
9 is to be credited.

10 “(d) ADDITIONAL COORDINATION MATTERS.—In the
11 case of an individual entitled to educational assistance
12 under chapter 30, 31, 32, or 35 of this title, chapter 107,
13 1606, or 1607 of title 10, or the provisions of the Hostage
14 Relief Act of 1980, or making contributions toward enti-
15 tlement to educational assistance under chapter 30 of this
16 title, as of the date of the enactment of the 21st Century
17 GI Bill of Rights Act of 2007, coordination of entitlement
18 to educational assistance under this chapter, on the one
19 hand, and such chapters or provisions, on the other, shall
20 be governed by the provisions of section 2(e) of the 21st
21 Century GI Bill of Rights Act of 2007.

22 **“§ 3323. Administration**

23 “(a) IN GENERAL.—(1) Except as otherwise provided
24 in this chapter, the provisions specified in section

1 3034(a)(1) of this title shall apply to the provision of edu-
2 cational assistance under this chapter.

3 “(2) In applying the provisions referred to in para-
4 graph (1) to an individual entitled to educational assist-
5 ance under this chapter for purposes of this section, the
6 reference in such provisions to the term ‘eligible veteran’
7 shall be deemed to refer to an individual entitled to edu-
8 cational assistance under this chapter.

9 “(3) In applying section 3474 of this title to an indi-
10 vidual entitled to educational assistance under this chapter
11 for purposes of this section, the reference in such section
12 3474 to the term ‘educational assistance allowance’ shall
13 be deemed to refer to educational assistance payable under
14 section 3313 of this title.

15 “(4) In applying section 3482(g) of this title to an
16 individual entitled to educational assistance under this
17 chapter for purposes of this section—

18 “(A) the first reference to the term ‘educational
19 assistance allowance’ in such section 3482(g) shall
20 be deemed to refer to educational assistance payable
21 under section 3313 of this title; and

22 “(B) the first sentence of paragraph (1) of such
23 section 3482(g) shall be applied as if such sentence
24 ended with ‘equipment’.

1 “(b) INFORMATION ON BENEFITS.—(1) The Sec-
2 retary of Veterans Affairs shall provide the information
3 described in paragraph (2) to each member of the Armed
4 Forces at such times as the Secretary of Veterans Affairs
5 and the Secretary of Defense shall jointly prescribe in reg-
6 ulations.

7 “(2) The information described in this paragraph is
8 information on benefits, limitations, procedures, eligibility
9 requirements (including time-in-service requirements),
10 and other important aspects of educational assistance
11 under this chapter, including application forms for such
12 assistance under section 5102 of this title.

13 “(3) The Secretary of Veterans Affairs shall furnish
14 the information and forms described in paragraph (2), and
15 other educational materials on educational assistance
16 under this chapter, to educational institutions, training es-
17 tablishments, military education personnel, and such other
18 persons and entities as the Secretary considers appro-
19 priate.

20 “(c) REGULATIONS.—(1) The Secretary shall pre-
21 scribe regulations for the administration of this chapter.

22 “(2) Any regulations prescribed by the Secretary of
23 Defense for purposes of this chapter shall apply uniformly
24 across the Armed Forces.

1 **“§ 3324. Allocation of administration and costs**

2 “(a) ADMINISTRATION.—Except as otherwise pro-
3 vided in this chapter, the Secretary shall administer the
4 provision of educational assistance under this chapter.

5 “(b) COSTS.—Payments for entitlement to edu-
6 cational assistance earned under this chapter shall be
7 made from funds appropriated to, or otherwise made avail-
8 able to, the Department of Veterans Affairs for the pay-
9 ment of readjustment benefits.”.

10 (2) CLERICAL AMENDMENTS.—The tables of
11 chapters at the beginning of title 38, United States
12 Code, and at the beginning of part III of such title,
13 are each amended by inserting after the item relat-
14 ing to chapter 32 the following new item:

**“33. Educational assistance for service after September
11, 2001 3301”.**

15 (b) CONFORMING AMENDMENTS.—

16 (1) AMENDMENTS RELATING TO DUPLICATION
17 OF BENEFITS.—

18 (A) Section 3033 of title 38, United States
19 Code, is amended—

20 (i) in subsection (a)(1), by inserting
21 “33,” after “32,”; and

22 (ii) in subsection (c), by striking
23 “both the program established by this
24 chapter and the program established by

1 chapter 106 of title 10” and inserting “two
2 or more of the programs established by
3 this chapter, chapter 33 of this title, and
4 chapters 1606 and 1607 of title 10”.

5 (B) Paragraph (4) of section 3695(a) of
6 such title is amended to read as follows:

7 “(4) Chapters 30, 32, 33, 34, 35, and 36 of
8 this title.”.

9 (C) Section 16163(e) of title 10, United
10 States Code, is amended by inserting “33,”
11 after “32,”.

12 (2) ADDITIONAL CONFORMING AMENDMENTS.—

13 (A) Title 38, United States Code, is fur-
14 ther amended by inserting “33,” after “32,”
15 each place it appears in the following provi-
16 sions:

17 (i) In subsections (b) and (e)(1) of
18 section 3485.

19 (ii) In section 3688(b).

20 (iii) In subsections (a)(1), (c)(1),
21 (c)(1)(G), (d), and (e)(2) of section 3689.

22 (iv) In section 3690(b)(3)(A).

23 (v) In subsections (a) and (b) of sec-
24 tion 3692.

25 (vi) In section 3697(a).

1 (B) Section 3697A(b)(1) of such title is
2 amended by striking “or 32” and inserting “32,
3 or 33”.

4 (c) APPLICABILITY TO INDIVIDUALS UNDER MONT-
5 GOMERY GI BILL PROGRAM.—

6 (1) INDIVIDUALS ELIGIBLE TO ELECT PARTICI-
7 PATION IN EDUCATIONAL ASSISTANCE FOR SERVICE
8 AFTER SEPTEMBER 11, 2001.—An individual may
9 elect to receive education assistance under chapter
10 33 of title 38, United States Code (as added by sub-
11 section (a)), if such individual—

12 (A) as of the date of the enactment of this
13 Act—

14 (i) is entitled to basic educational as-
15 sistance under chapter 30 of title 38,
16 United States Code, and has used, but re-
17 tains unused, entitlement under that chap-
18 ter;

19 (ii) is entitled to educational assist-
20 ance under chapter 107, 1606, or 1607 of
21 title 10, United States Code, and has used,
22 but retains unused, entitlement under the
23 applicable chapter;

24 (iii) is entitled to basic educational as-
25 sistance under chapter 30 of title 38,

1 United States Code, but has not used any
2 such entitlement under that chapter;

3 (iv) is entitled to educational assist-
4 ance under chapter 107, 1606, or 1607 of
5 title 10, United States Code, but has not
6 used any such entitlement under such
7 chapter;

8 (v) is a member of the Armed Forces
9 who is eligible for receipt of basic edu-
10 cational assistance under chapter 30 of
11 title 38, United States Code, and is mak-
12 ing contributions toward such assistance
13 under section 3011(b) or 3012(c) of such
14 title; or

15 (vi) is a member of the Armed Forces
16 who is not entitled to basic educational as-
17 sistance under chapter 30 of title 38,
18 United States Code, by reason of an elec-
19 tion under section 3011(c)(1) or
20 3012(d)(1) of such title; and

21 (B) as of the date of the individual's elec-
22 tion under this paragraph—

23 (i) otherwise meets the requirements
24 for entitlement to educational assistance

1 under chapter 33 of title 38, United States
2 Code (as so added); or

3 (ii) is making progress toward meet-
4 ing such requirements.

5 (2) ELECTION ON TREATMENT OF TRANS-
6 FERRED ENTITLEMENT.—

7 (A) ELECTION.—If, on the date an indi-
8 vidual described in subparagraph (A)(i) or
9 (A)(iii) of paragraph (1) makes an election
10 under that paragraph, a transfer of the entitle-
11 ment of the individual to basic educational as-
12 sistance under section 3020 of title 38, United
13 States Code, is in effect and a number of
14 months of the entitlement so transferred remain
15 unutilized, the individual may elect to revoke all
16 or a portion of the entitlement so transferred
17 that remains unutilized.

18 (B) AVAILABILITY OF REVOKED ENTITLE-
19 MENT.—Any entitlement revoked by an indi-
20 vidual under this paragraph shall no longer be
21 available to the dependent to whom transferred,
22 but shall be available to the individual instead
23 for educational assistance under chapter 33 of
24 title 38, United States Code (as so added), as
25 provided in paragraph (3)(B).

1 (C) AVAILABILITY OF UNREVOKED ENTI-
2 TLEMENT.—Any entitlement described in sub-
3 paragraph (A) that is not revoked by an indi-
4 vidual in accordance with that subparagraph
5 shall remain available to the eligible dependent
6 or dependents concerned in accordance with the
7 current transfer of such entitlement under sec-
8 tion 3020 of title 38, United States Code.

9 (3) EDUCATIONAL ASSISTANCE FOR SERVICE
10 AFTER SEPTEMBER 11, 2001.—

11 (A) IN GENERAL.—Subject to subpara-
12 graph (B), an individual making an election
13 under paragraph (1) shall be entitled to edu-
14 cational assistance under chapter 33 of title 38,
15 United States Code (as so added), in accord-
16 ance with the provisions of such chapter, in-
17 stead of basic educational assistance under
18 chapter 30 of title 38, United States Code, or
19 educational assistance under chapter 107,
20 1606, or 1607 of title 10, United States Code,
21 as applicable.

22 (B) LIMITATION ON ENTITLEMENT FOR
23 CERTAIN INDIVIDUALS.—In the case of an indi-
24 vidual making an election under paragraph (1)
25 who is described by subparagraph (A)(i) of that

1 paragraph, the number of months of entitle-
2 ment of such individual to educational assist-
3 ance under chapter 33 of title 38, United
4 States Code (as so added), shall be the number
5 of months equal to the number of months of
6 unused entitlement of such individual under
7 chapter 30 of title 38, United States Code, as
8 of the date of the election, including any num-
9 ber of months entitlement revoked by the indi-
10 vidual under paragraph (2)(A).

11 (4) TREATMENT OF CONTRIBUTIONS TOWARD
12 BASIC EDUCATIONAL ASSISTANCE; CESSATION OF
13 CONTRIBUTIONS.—Effective as of the first month
14 beginning on or after the date of an election under
15 paragraph (1) of an individual described by subpara-
16 graph (A)(v) of that paragraph, the obligation of
17 such individual to make contributions under section
18 3011(b) or 3012(c) of title 38, United States Code,
19 as applicable, shall cease, and the requirements of
20 such section shall be deemed to be no longer applica-
21 ble to such person.

22 (5) TERMINATION OF ENTITLEMENT UNDER
23 MONTGOMERY GI BILL.—Effective on the last day of
24 the month in which an individual makes an election
25 under paragraph (1), the entitlement, if any, of the

1 individual to basic educational assistance under
2 chapter 30 of title 38, United States Code, or edu-
3 cational assistance under chapter 107, 1606, or
4 1607 of title 10, United States Code, as applicable,
5 shall terminate.

6 (6) IRREVOCABILITY OF ELECTIONS.—An elec-
7 tion under paragraph (1) or (2)(A) is irrevocable.

8 **SEC. 3. IMPROVEMENTS IN HOUSING BENEFITS FOR VET-**
9 **ERANS.**

10 (a) INCREASE IN MAXIMUM GUARANTY AMOUNT OF
11 HOME LOAN GUARANTY PROGRAM.—Section
12 3703(a)(1)(C) of title 38, United States Code, is amend-
13 ed—

14 (1) by striking “In this paragraph” and insert-
15 ing “(i) In this paragraph”; and

16 (2) by adding at the end the following new
17 clause:

18 “(ii) The Secretary shall increase the dollar amount
19 described in clause (i) with respect to residences of a par-
20 ticular size located in any area for which the median price
21 for such size residence exceeds the dollar amount, to 25
22 percent of the median price for such a residence in such
23 area.”.

24 (b) REPEAL OF LOAN FUNDING FEES REQUIRE-
25 MENT FOR HOUSING LOANS.—

1 (1) IN GENERAL.—Section 3729 of such title is
2 repealed.

3 (2) CONFORMING AMENDMENTS.—(A) Section
4 2041(b)(2) of such title is amended—

5 (i) in subparagraph (A), by adding “and”
6 at the end;

7 (ii) in subparagraph (B), by striking “;
8 and” and inserting a period; and

9 (iii) by striking subparagraph (C).

10 (B)(i) Section 3703 of such title is amended—

11 (I) by striking subsection (e); and

12 (II) by redesignating subsection (f) as sub-
13 section (e).

14 (ii) Section 3732(a)(1) of such title is amended
15 by striking “Except as provided in section 3703(e)
16 of this title, if” and inserting “If”.

17 (C) Section 3722(c) of such title is amended by
18 striking “section 3729 of this title or any other pro-
19 vision of law or” and inserting “any provision of law
20 or any”.

21 (D) Section 3734(b)(2) of such title is amend-
22 ed—

23 (i) by striking subparagraph (A); and

1 (ii) by redesignating subparagraphs (B),
2 (C), (D), and (E) as subparagraphs (A), (B),
3 (C), and (D), respectively.

4 (3) CLERICAL AMENDMENT.—The table of sec-
5 tions at the beginning of chapter 37 of such title is
6 amended by striking the item relating to section
7 3729.

8 (c) AUTHORIZATION OF APPROPRIATIONS FOR VET-
9 ERANS HOUSING BENEFIT PROGRAM FUND.—There are
10 authorized to be appropriated for the Veterans Housing
11 Benefit Program Fund under section 3722 of title 38,
12 United States Code, such sums as may be necessary to
13 carry out the amendments made by this section.

14 **SEC. 4. SMALL BUSINESS PROGRAMS FOR VETERANS.**

15 (a) DEFINITIONS.—In this section:

16 (1) INTERMEDIARY.—The term “intermediary”
17 has the meaning given that term in section 7(m)(11)
18 of the Small Business Act (15 U.S.C. 636(m)(11)).

19 (2) MICROLOAN PROGRAM.—The term
20 “Microloan Program” means the Microloan Program
21 under section 7(m) of the Small Business Act (15
22 U.S.C. 636(m)), as amended by this Act.

23 (3) VET CENTER.—The term “vet center”
24 means a center for the provision of readjustment

1 counseling and related mental health services under
2 section 1712A of title 38, United States Code.

3 (4) VETERAN.—The term “veteran” has the
4 meaning given that term in section 101 of title 38,
5 United States Code.

6 (b) MICROLOAN PROGRAM.—Section 7(m) of the
7 Small Business Act (15 U.S.C. 636(m)) is amended by
8 adding at the end the following:

9 “(14) LOANS TO VETERANS.—

10 “(A) IN GENERAL.—Notwithstanding any
11 other provision of law—

12 “(i) any loan made to a veteran by an
13 intermediary under this subsection shall
14 have a rate of interest equal to not more
15 than 2.5 percent; and

16 “(ii) an intermediary—

17 “(I) may make a loan to a vet-
18 eran under this subsection in an
19 amount of not more than \$100,000;
20 and

21 “(II) shall not require collateral
22 for any loan to a veteran under this
23 subsection.

24 “(B) IDENTIFICATION.—The Adminis-
25 trator, acting through the Associate Adminis-

1 trator for Veterans Business Development,
2 shall—

3 “(i) identify intermediaries willing
4 to—

5 “(I) make loans to veterans on
6 the terms described in subparagraph
7 (A); and

8 “(II) assist veterans in obtaining
9 such loans; and

10 “(ii) establish a database of inter-
11 mediaries identified under clause (i).”.

12 (c) OUTREACH.—The Secretary of Veterans Af-
13 fairs—

14 (1) acting through vet centers, shall—

15 (A) provide technical assistance, outreach,
16 and counseling to veterans regarding the
17 Microloan Program; and

18 (B) serve as a liaison between veterans and
19 the Administrator of the Small Business Ad-
20 ministration and intermediaries for purposes of
21 the Microloan Program; and

22 (2) evaluate the efforts of the Department of
23 Veterans Affairs under paragraph (1).

24 (d) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated to the Secretary of Vet-

1 erans Affairs and the Administrator of the Small Business
2 Administration such sums as may be necessary to carry
3 out the provisions of, and the amendments made by, this
4 section.

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