

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 949

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 7), 1993

Received; read twice and referred to the Committee on Veterans' Affairs

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## AN ACT

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.

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".

1 **SEC. 2. MORTGAGE PAYMENT ASSISTANCE TO AVOID FORE-**  
2 **CLOSURE OF HOME LOANS GUARANTEED**  
3 **UNDER TITLE 38.**

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

7 **“§ 3715. Loans to refinance delinquent indebtedness**

8 “(a)(1) The Secretary may, at the Secretary’s option,  
9 provide assistance to a veteran under this section for the  
10 purpose of avoiding the foreclosure of a housing loan made  
11 to that veteran and guaranteed by the Secretary under  
12 section 3710 or 3712 of this title (hereinafter in this sec-  
13 tion referred to as a ‘primary loan’).

14 “(2) Assistance under this section shall be in the  
15 form of a loan to the veteran. Such assistance may be pro-  
16 vided only if—

17 “(A) the dwelling that secures the primary loan  
18 is the current residence of the veteran and is occu-  
19 pied by the veteran as the veteran’s home;

20 “(B) the veteran is delinquent in payments on  
21 that primary loan and the holder has submitted the  
22 notice of default as required by section 3732(a)(2)  
23 and is unwilling to grant forbearance;

24 “(C) the veteran has lost employment or has  
25 encountered circumstances beyond his control which

1 affect his ability to maintain mortgage payments;  
2 and

3 “(D) the Secretary determines that there is a  
4 reasonable prospect that the veteran will be able to  
5 resume payment on the primary loan within six  
6 months after receiving assistance under this section.

7 “(3) For the purposes of this section, the term ‘vet-  
8 eran’ includes the surviving spouse of a veteran if the sur-  
9 viving spouse was a co-obligor of the primary loan.

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

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

25 “(c) A loan under this section—

1           “(1) shall bear no interest until the date on  
2           which payments on the primary loan (including  
3           amounts for taxes, assessments, hazard insurance,  
4           and late charges required by the holder to be in-  
5           cluded in the veteran’s monthly payment on the  
6           mortgage) are current, and thereafter shall bear in-  
7           terest at a rate determined by the Secretary;

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

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

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

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

5       “(f) The Secretary’s decisions on any question of law  
6 or fact regarding assistance under this section, including  
7 whether or not to grant such assistance and the terms and  
8 conditions under which such assistance is granted or not  
9 granted, shall be final and conclusive, and no other official  
10 or any court of the United States shall have power or ju-  
11 risdiction to review any such decision by an action in the  
12 nature of mandamus or otherwise.

13       “(g) A loan under this section shall be made from  
14 the fund established under section 3724 or 3725 of this  
15 title that is available with respect to the primary loan in  
16 connection with which the loan is made under this sec-  
17 tion.”.

18       (2) The table of sections at the beginning of such  
19 chapter is amended by inserting after the item relating  
20 to section 3714 the following new item:

“3715. Loans to refinance delinquent indebtedness.”.

21       (b) EFFECTIVE DATE.—The amendments made by  
22 subsection (a) shall take effect at the end of the 60-day  
23 period beginning on the date of the enactment of this Act.

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

2 Section 3703(c)(4)(B) of title 38, United States  
3 Code, is amended in the second sentence by striking out  
4 “Discount” and inserting in lieu thereof “Except in the  
5 case of a loan for the purpose specified in section  
6 3710(a)(8), 3710(b)(7), or section 3712(a)(1)(F) of this  
7 title, discount”.

8 **SEC. 4. RATE ADJUSTMENTS FOR ADJUSTABLE RATE**  
9 **MORTGAGES.**

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

13 **SEC. 5. CEMETERY PLOT ALLOWANCE FOR VETERANS ELI-**  
14 **GIBLE FOR BURIAL IN A NATIONAL CEME-**  
15 **TERY BUT INTERRED IN A STATE VETERANS**  
16 **CEMETERY.**

17 Section 2303 of title 38, United States Code, is  
18 amended by adding at the end thereof the following:

19 “(c) In addition to the benefits provided for under  
20 section 2302 of this title and subsection (a) of this section,  
21 in the case of a veteran who—

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

24 “(2) is buried (without charge for the cost of a  
25 plot or interment) in a cemetery, or a section of a  
26 cemetery, that (A) is used solely for the interment

1 of persons eligible for burial in a national cemetery,  
2 and (B) is owned by a State or by an agency or po-  
3 litical subdivision of a State,  
4 the Secretary shall pay to such State, agency, or political  
5 subdivision the sum of \$150 as a plot or interment allow-  
6 ance for such veteran.”.

7 **SEC. 6. INCREASE IN FEDERAL AID TO STATES VETERANS’**  
8 **CEMETERIES.**

9 Paragraphs (1) and (2) of section 2408(b) are each  
10 amended by striking out “50 percent” and inserting in  
11 lieu thereof “65 percent.”.

12 **SEC. 7. EXTENSION OF AUTHORIZATION OF APPROPRIA-**  
13 **TIONS FOR STATE CEMETERY GRANT PRO-**  
14 **GRAM.**

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

1 **SEC. 8. REMOVAL OF FUNDING REQUIREMENT OF HOME-**  
2 **LESS VETERANS COMPREHENSIVE SERVICE**  
3 **PROGRAMS ACT OF 1992.**

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

Passed the House of Representatives September 21,  
1993.

Attest: DONNALD K. ANDERSON,  
*Clerk.*