

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2481
OFFERED BY MR. FLORES OF TEXAS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Veterans Economic Opportunity Act of 2013”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to title 38, United States Code.
- Sec. 3. Scoring of budgetary effects.
- Sec. 4. Establishment of Veterans Economic Opportunity Administration of Department of Veterans Affairs.
- Sec. 5. Under Secretary for Veterans Economic Opportunity.
- Sec. 6. Five-year extension of homeless veterans reintegration programs.
- Sec. 7. Entitlement of children of certain deceased veterans to educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs.
- Sec. 8. Recodification and improvement of election process for Post-9/11 Educational Assistance Program.
- Sec. 9. Centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions.
- Sec. 10. Extension of loan guaranty fee for certain subsequent loans.
- Sec. 11. Mortgage protection for members of the Armed Forces, surviving spouses, and certain veterans.
- Sec. 12. Treatment of relocation for active duty for purposes of mortgage refinancing.
- Sec. 13. Requirements for lending institutions that are creditors for obligations and liabilities covered by the Servicemembers Civil Relief Act.
- Sec. 14. Protection of child custody arrangements for parents who are members of the Armed Forces.

1 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

2 Except as otherwise expressly provided, whenever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to , or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of title 38 , United States Code.

7 **SEC. 3. SCORING OF BUDGETARY EFFECTS.**

8 The budgetary effects of this Act, for the purpose of
9 complying with the Statutory Pay-As-You-Go Act of 2010,
10 shall be determined by reference to the latest statement
11 titled “Budgetary Effects of PAYGO Legislation” for this
12 Act, submitted for printing in the Congressional Record
13 by the Chairman of the House Budget Committee, pro-
14 vided that such statement has been submitted prior to the
15 vote on passage.

16 **SEC. 4. ESTABLISHMENT OF VETERANS ECONOMIC OPPOR-**
17 **TUNITY ADMINISTRATION OF DEPARTMENT**
18 **OF VETERANS AFFAIRS.**

19 (a) ECONOMIC OPPORTUNITY ADMINISTRATION.—

20 (1) IN GENERAL.—Part V is amended by add-
21 ing at the end the following new chapter:

22 **“CHAPTER 80—VETERANS ECONOMIC**
23 **OPPORTUNITY ADMINISTRATION**

“8001. Organization of Administration.

“8002. Functions of Administration.

1 **“§ 8001. Organization of Administration**

2 “(a) VETERANS ECONOMIC OPPORTUNITY ADMINIS-
3 TRATION.—There is in the Department of Veterans Af-
4 fairs a Veterans Economic Opportunity Administration.
5 The primary function of the Veterans Economic Oppor-
6 tunity Administration is the administration of the pro-
7 grams of the Department which provide assistance related
8 to economic opportunity to veterans and their dependents
9 and survivors.

10 “(b) UNDER SECRETARY FOR ECONOMIC OPPOR-
11 TUNITY.—The Veterans Economic Opportunity Adminis-
12 tration is under the Under Secretary for Veterans Eco-
13 nomic Opportunity, who is directly responsible to the Sec-
14 retary for the operations of the Administration.

15 **“§ 8002. Functions of Administration**

16 “The Veterans Economic Opportunity Administra-
17 tion is responsible for the administration of the following
18 programs of the Department:

19 “(1) Vocational rehabilitation and employment
20 programs.

21 “(2) Educational assistance programs.

22 “(3) Veterans’ housing loan and related pro-
23 grams.

24 “(4) The veterans small business program
25 under section 8127 of this title.”.

1 (2) CLERICAL AMENDMENTS.—The tables of
2 chapters at the beginning of title 38, United States
3 Code, and of part V of title 38, United States Code,
4 are each amended by inserting after the item relat-
5 ing to chapter 79 the following new item:

“80. Veterans Economic Opportunity Administration 8001”.

6 (b) EFFECTIVE DATE.—Chapter 80 of title 38,
7 United States Code, as added by subsection (a) shall take
8 effect on October 1, 2014.

9 **SEC. 5. UNDER SECRETARY FOR VETERANS ECONOMIC OP-**
10 **PORTUNITY.**

11 (a) UNDER SECRETARY.—

12 (1) IN GENERAL.—Chapter 3 is amended by in-
13 serting after section 306 the following new section:

14 **“§ 306A. Under Secretary for Veterans Economic Op-**
15 **portunity**

16 “(a) UNDER SECRETARY.—There is in the Depart-
17 ment an Under Secretary for Veterans Economic Oppor-
18 tunity, who is appointed by the President, by and with
19 the advice and consent of the Senate. The Under Sec-
20 retary for Veterans Economic Opportunity shall be ap-
21 pointed without regard to political affiliation or activity
22 and solely on the basis of demonstrated ability in—

23 “(1) information technology; and

1 “(2) the administration of programs within the
2 Veterans Economic Opportunity Administration or
3 programs of similar content and scope.

4 “(b) RESPONSIBILITIES.—The Under Secretary for
5 Veterans Economic Opportunity is the head of, and is di-
6 rectly responsible to the Secretary for the operations of,
7 the Veterans Economic Opportunity Administration.

8 “(c) VACANCIES.—(1) Whenever a vacancy in the po-
9 sition of Under Secretary for Veterans Economic Oppor-
10 tunity occurs or is anticipated, the Secretary shall estab-
11 lish a commission to recommend individuals to the Presi-
12 dent for appointment to the position.

13 “(2) A commission established under this subsection
14 shall be composed of the following members appointed by
15 the Secretary:

16 “(A) Three persons representing education and
17 training, vocational rehabilitation, employment, real
18 estate, mortgage finance and related industries, and
19 survivor benefits activities affected by the Veterans
20 Economic Opportunity Administration.

21 “(B) Two persons representing veterans served
22 by the Veterans Economic Opportunity Administra-
23 tion.

24 “(C) Two persons who have experience in the
25 management of private sector benefits programs of

1 similar content and scope to the economic oppor-
2 tunity programs of the Department.

3 “(D) The Deputy Secretary of Veterans Affairs.

4 “(E) The chairman of the Veterans’ Advisory
5 Committee on Education formed under section 3692
6 of this title.

7 “(F) One person who has held the position of
8 Under Secretary for Veterans Economic Oppor-
9 tunity, if the Secretary determines that it is desir-
10 able for such person to be a member of the commis-
11 sion.

12 “(3) A commission established under this subsection
13 shall recommend at least three individuals for appoint-
14 ment to the position of Under Secretary for Veterans Eco-
15 nomic Opportunity. The commission shall submit all rec-
16 ommendations to the Secretary. The Secretary shall for-
17 ward the recommendations to the President and the Com-
18 mittees on Veterans’ Affairs of the Senate and House of
19 Representatives with any comments the Secretary con-
20 siders appropriate. Thereafter, the President may request
21 the commission to recommend additional individuals for
22 appointment.

23 “(4) The Assistant Secretary or Deputy Assistant
24 Secretary of Veterans Affairs who performs personnel
25 management and labor relations functions shall serve as

1 the executive secretary of a commission established under
2 this subsection.

3 “(d) QUALIFICATIONS OF RECOMMENDED INDIVID-
4 UALS.—Each individual recommended to the President by
5 the commission for appointment to the position of Under
6 Secretary for Veterans Economic Opportunity shall be an
7 individual who has held a senior level position in the pri-
8 vate sector with responsibilities relating to at least one of
9 the following:

10 “(1) Education policy.

11 “(2) Vocational rehabilitation.

12 “(3) Employment.

13 “(4) Home loan finance.

14 “(5) Small business development.”.

15 (2) CLERICAL AMENDMENT.—The table of sec-
16 tions at the beginning of such chapter is amended
17 by inserting after the item relating to section 306
18 the following new item:

“306A. Under Secretary for Veterans Economic Opportunity.”.

19 (b) CONFORMING AMENDMENTS.—Title 38, United
20 States Code, is further amended—

21 (1) in section 306(c)(2), by striking subpara-
22 graphs (A) and (E) and redesignating subpara-
23 graphs (B), (C), (D), and (F), as subparagraphs (A)
24 through (D), respectively;

1 (2) in section 317(d), by inserting after “Under
2 Secretary for Benefits,” the following: “the Under
3 Secretary for Veterans Economic Opportunity,”;

4 (3) in section 318(d)(2), by inserting after
5 “Under Secretary for Benefits,” the following: “the
6 Under Secretary for Veterans Economic Oppor-
7 tunity,”;

8 (4) in section 516(e)(2)(C), by striking “Health
9 and the Under Secretary for Benefits” and inserting
10 “Health, the Under Secretary for Benefits, and the
11 Under Secretary for Veterans Economic Oppor-
12 tunity”;

13 (5) in section 541(a)(2)(B), by striking “Health
14 and the Under Secretary for Benefits” and inserting
15 “Health, the Under Secretary for Benefits, and the
16 Under Secretary for Veterans Economic Oppor-
17 tunity”;

18 (6) in section 542(a)(2)(B)(iii), by striking
19 “Health and the Under Secretary for Benefits” and
20 inserting “Health, the Under Secretary for Benefits,
21 and the Under Secretary for Veterans Economic Op-
22 portunity”;

23 (7) in section 544(a)(2)(B)(vi), by striking
24 “Health and the Under Secretary for Benefits” and
25 inserting “Health, the Under Secretary for Benefits,

1 and the Under Secretary for Veterans Economic Op-
2 portunity”;

3 (8) in section 709(c)(2)(A), by inserting after
4 “Under Secretary for Benefits,” the following: “the
5 Under Secretary for Veterans Economic Oppor-
6 tunity,”.

7 (9) in section 7701(a), by inserting after “as-
8 sistance” the following: “, other than assistance re-
9 lated to economic opportunity,”; and

10 (10) in section 7703, by striking paragraphs (2)
11 and (3) and redesignating paragraphs (4) and (5) as
12 paragraphs (2) and (3), respectively.

13 (c) FULL-TIME EMPLOYEES.—For fiscal years 2014
14 and 2015, the aggregate number of full-time equivalent
15 employees authorized for the Veterans Benefit Adminis-
16 tration and the Veterans Economic Opportunity Adminis-
17 tration, as established under chapter 80 of title 38, United
18 States Code, as added by section 2, may not exceed
19 20,851.

20 (d) EFFECTIVE DATE.—Section 306A of title 38,
21 United States Code, as added by subsection (a), and the
22 amendments made by this section, shall take effect on Oc-
23 tober 1, 2014.

1 **SEC. 6. FIVE-YEAR EXTENSION OF HOMELESS VETERANS**
2 **REINTEGRATION PROGRAMS.**

3 Section 2021(e)(F) of title 38, United States Code,
4 is amended by striking “2013” and inserting “2018”.

5 **SEC. 7. ENTITLEMENT OF CHILDREN OF CERTAIN DE-**
6 **CEASED VETERANS TO EDUCATIONAL AS-**
7 **SISTANCE UNDER THE POST-9/11 EDU-**
8 **CATIONAL ASSISTANCE PROGRAM OF THE**
9 **DEPARTMENT OF VETERANS AFFAIRS.**

10 (a) IN GENERAL.—Section 3311(b)(9) is amended—

11 (1) by striking “2001, dies in line of duty while
12 serving on active duty as a member of the Armed
13 Forces.” and inserting “2001—”; and

14 (2) by adding at the end the following new sub-
15 paragraphs:

16 “(A) dies in line of duty while serving on
17 active duty as a member of the Armed Forces;
18 or

19 “(B) is awarded the Purple Heart for an
20 injury and dies as a result of that injury during
21 the 31-day period beginning on the date of the
22 person’s discharge or release from active duty
23 service in the Armed Forces.”.

24 (b) APPLICABILITY.—The amendments made by sub-
25 section (a) shall apply with respect to a person who dies
26 on or after September 11, 2001.

1 (c) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall take effect on October 1, 2014, and
3 apply to payments of educational assistance for programs
4 of education pursued after that date.

5 **SEC. 8. RECODIFICATION AND IMPROVEMENT OF ELEC-**
6 **TION PROCESS FOR POST-9/11 EDUCATIONAL**
7 **ASSISTANCE PROGRAM.**

8 (a) IN GENERAL.—Subchapter III of chapter 33 is
9 amended by adding at the end the following new section:
10 **“§ 3326. Election to receive educational assistance**

11 “(a) INDIVIDUALS ELIGIBLE TO ELECT PARTICIPA-
12 TION IN POST-9/11 EDUCATIONAL ASSISTANCE.—An indi-
13 vidual may elect to receive educational assistance under
14 this chapter if such individual—

15 “(1) as of August 1, 2009—

16 “(A) is entitled to basic educational assist-
17 ance under chapter 30 of the title and has used,
18 but retains unused, entitlement under that
19 chapter;

20 “(B) is entitled to educational assistance
21 under chapter 107, 1606, or 1607 of title 10
22 and has used, but retains unused, entitlement
23 under the applicable chapter;

1 “(C) is entitled to basic educational assist-
2 ance under chapter 30 of this title but has not
3 used any entitlement under that chapter;

4 “(D) is entitled to educational assistance
5 under chapter 107, 1606, or 1607 of title 10
6 but has not used any entitlement under such
7 chapter;

8 “(E) is a member of the Armed Forces
9 who is eligible for receipt of basic educational
10 assistance under chapter 30 this title and is
11 making contributions toward such assistance
12 under section 3011(b) or 3012(c) of this title;
13 or

14 “(F) is a member of the Armed Forces
15 who is not entitled to basic educational assist-
16 ance under chapter 30 of this title by reason of
17 an election under section 3011(c)(1) or
18 3012(d)(1) of this title; and

19 “(2) as of the date of the individual’s election
20 under this paragraph, meets the requirements for
21 entitlement to educational assistance under this
22 chapter.

23 “(b) CESSATION OF CONTRIBUTIONS TOWARD GI
24 BILL.—Effective as of the first month beginning on or
25 after the date of an election under subsection (a) of an

1 individual described by paragraph (1)(E) of that sub-
2 section, the obligation of the individual to make contribu-
3 tions under section 3011(b) or 3012(c) of this title, as
4 applicable, shall cease, and the requirements of such sec-
5 tion shall be deemed to be no longer applicable to the indi-
6 vidual.

7 “(c) REVOCATION OF REMAINING TRANSFERRED
8 ENTITLEMENT.—

9 “(1) ELECTION TO REVOKE.—If, on the date an
10 individual described in paragraph (1)(A) or (1)(C) of
11 subsection (a) makes an election under that sub-
12 section, a transfer of the entitlement of the indi-
13 vidual to basic educational assistance under section
14 3020 of this title is in effect and a number of
15 months of the entitlement so transferred remain un-
16 utilized, the individual may elect to revoke all or a
17 portion of the entitlement so transferred that re-
18 mains unutilized.

19 “(2) AVAILABILITY OF REVOKED ENTITLE-
20 MENT.—Any entitlement revoked by an individual
21 under this paragraph shall no longer be available to
22 the dependent to whom transferred, but shall be
23 available to the individual instead for educational as-
24 sistance under chapter 33 of this title in accordance
25 with the provisions of this section.

1 “(3) AVAILABILITY OF UNREVOKED ENTITLE-
2 MENT.—Any entitlement described in paragraph (1)
3 that is not revoked by an individual in accordance
4 with that paragraph shall remain available to the de-
5 pendent or dependents concerned in accordance with
6 the current transfer of such entitlement under sec-
7 tion 3020 of this title.

8 “(d) POST-9/11 EDUCATIONAL ASSISTANCE.—

9 “(1) IN GENERAL.—Subject to paragraph (2)
10 and except as provided in subsection (e), an indi-
11 vidual making an election under subsection (a) shall
12 be entitled to educational assistance under this chap-
13 ter in accordance with the provisions of this chapter,
14 instead of basic educational assistance under chapter
15 30 this title, or educational assistance under chapter
16 107, 1606, or 1607 of title 10, as applicable.

17 “(2) LIMITATION ON ENTITLEMENT FOR CER-
18 TAIN INDIVIDUALS.—In the case of an individual
19 making an election under subsection (a) who is de-
20 scribed by paragraph (1)(A) of that subsection, the
21 number of months of entitlement of the individual to
22 educational assistance under this chapter 33 shall be
23 the number of months equal to—

1 “(A) the number of months of unused enti-
2 tlement of the individual under chapter 30 of
3 this title, as of the date of the election, plus

4 “(B) the number of months, if any, of enti-
5 tlement revoked by the individual under sub-
6 section (c)(1).

7 “(e) CONTINUING ENTITLEMENT TO EDUCATIONAL
8 ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE
9 PROGRAM.—

10 “(1) IN GENERAL.—In the event educational
11 assistance to which an individual making an election
12 under subsection (a) would be entitled under chapter
13 30 of this title, or chapter 107, 1606, or 1607 of
14 title 10, as applicable, is not authorized to be avail-
15 able to the individual under the provisions of this
16 chapter the individual shall remain entitled to such
17 educational assistance in accordance with the provi-
18 sions of the applicable chapter.

19 “(2) CHARGE FOR USE OF ENTITLEMENT.—
20 The utilization by an individual of entitlement under
21 paragraph (1) shall be chargeable against the enti-
22 tlement of the individual to educational assistance
23 under this chapter at the rate of one month of enti-
24 tlement under this chapter for each month of entitle-
25 ment utilized by the individual under paragraph (1)

1 (as determined as if such entitlement were utilized
2 under the provisions of chapter 30 of this title, or
3 chapter 107, 1606, or 1607 of title 10, as applica-
4 ble).

5 “(f) ADDITIONAL POST-9/11 ASSISTANCE FOR MEM-
6 BERS HAVING MADE CONTRIBUTIONS TOWARD GI
7 BILL.—

8 “(1) ADDITIONAL ASSISTANCE.—In the case of
9 an individual making an election under subsection
10 (a) who is described by subparagraph (A), (C), or
11 (E) of paragraph (1) of that subsection, the amount
12 of educational assistance payable to the individual
13 under this chapter 33 as a monthly stipend payable
14 under paragraph (1)(B) of section 3313(c) of this
15 title, or under paragraphs (2) through (7) of that
16 section (as applicable), shall be the amount other-
17 wise payable as a monthly stipend under the applica-
18 ble paragraph increased by the amount equal to—

19 “(A) the total amount of contributions to-
20 ward basic educational assistance made by the
21 individual under section 3011(b) or 3012(c) of
22 this title, as of the date of the election, multi-
23 plied by

24 “(B) the fraction—

25 “(i) the numerator of which is—

1 “(I) the number of months of en-
2 titlement to basic educational assist-
3 ance under chapter 30 of this title re-
4 maining to the individual at the time
5 of the election; plus

6 “(II) the number of months, if
7 any, of entitlement under such chap-
8 ter 30 revoked by the individual under
9 subsection (c)(1); and

10 “(ii) the denominator of which is 36
11 months.

12 “(2) MONTHS OF REMAINING ENTITLEMENT
13 FOR CERTAIN INDIVIDUALS.—In the case of an indi-
14 vidual covered by paragraph (1) who is described by
15 subsection (a)(1)(E), the number of months of enti-
16 tlement to basic educational assistance remaining to
17 the individual for purposes of paragraph
18 (1)(B)(i)(II) shall be 36 months.

19 “(3) TIMING OF PAYMENT.—The amount pay-
20 able with respect to an individual under paragraph
21 (1) shall be paid to the individual together with the
22 last payment of the monthly stipend payable to the
23 individual under paragraph (1)(B) of section
24 3313(c) of this title, or under subsections (b)
25 through (g) of that section (as applicable), before

1 the exhaustion of the individual's entitlement to edu-
2 cational assistance under this chapter.

3 “(g) CONTINUING ENTITLEMENT TO ADDITIONAL
4 ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND
5 ADDITIONAL SERVICE.—An individual making an election
6 under subsection (a)(1) who, at the time of the election,
7 is entitled to increased educational assistance under sec-
8 tion 3015(d) of this title, or section 16131(i) of title 10,
9 or supplemental educational assistance under subchapter
10 III of chapter 30 of this title, shall remain entitled to such
11 increased educational assistance or supplemental edu-
12 cational assistance in the utilization of entitlement to edu-
13 cational assistance under this chapter, in an amount equal
14 to the quarter, semester, or term, as applicable, equivalent
15 of the monthly amount of such increased educational as-
16 sistance or supplemental educational assistance payable
17 with respect to the individual at the time of the election.

18 “(h) ALTERNATIVE ELECTION BY SECRETARY.—

19 “(1) IN GENERAL.—In the case of an individual
20 who, on or after October 1, 2014, submits to the
21 Secretary an election under this section that the
22 Secretary determines is clearly against the interests
23 of the individual, the Secretary may make an alter-
24 native election on behalf of the individual that the

1 Secretary determines is in the best interests of the
2 individual.

3 “(2) NOTICE.—If the Secretary makes an elec-
4 tion on behalf of an individual under this subsection,
5 the Secretary shall notify the individual by not later
6 than seven days after making such election and shall
7 provide the individual with a 30-day period, begin-
8 ning on the date of the individual’s receipt of such
9 notice, during which the individual may modify or
10 revoke the election made by the Secretary on the in-
11 dividual’s behalf. The Secretary shall include, as
12 part of such notice, a clear statement of why the al-
13 ternative election made by the Secretary is in the
14 best interests of the individual as compared to the
15 election submitted by the individual. The Secretary
16 shall provide the notice required under this para-
17 graph by electronic means whenever possible.

18 “(i) IRREVOCABILITY OF ELECTIONS.—An election
19 under subsection (a) or (c)(1) is irrevocable.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter is amended by adding
22 at the end the following new item:

“3326. Election to receive educational assistance.”.

23 (c) CONFORMING REPEAL.—Subsection (c) of section
24 5003 of the Post-9/11 Veterans Educational Assistance

1 Act of 2008 (Public Law 110–252; 38 U.S.C. 3301 note)
2 is hereby repealed.

3 **SEC. 9. CENTRALIZED REPORTING OF VETERAN ENROLL-**
4 **MENT BY CERTAIN GROUPS, DISTRICTS, AND**
5 **CONSORTIUMS OF EDUCATIONAL INSTITU-**
6 **TIONS.**

7 (a) IN GENERAL.—Section 3684(a) is amended—

8 (1) in paragraph (1), by inserting “32, 33,”
9 after “31,”; and

10 (2) by adding at the end the following new
11 paragraph:

12 “(4) For purposes of this subsection, the term ‘edu-
13 cational institution’ may include a group, district, or con-
14 sortium of separately accredited educational institutions
15 located in the same State that are organized in a manner
16 that facilitates the centralized reporting of the enrollments
17 in such group, district, or consortium of institutions.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply with respect to reports sub-
20 mitted on or after the date of the enactment of this Act.

21 **SEC. 10. EXTENSION OF LOAN GUARANTY FEE FOR CER-**
22 **TAIN SUBSEQUENT LOANS.**

23 (a) EXTENSION.—Section 3729(b)(2)(B) is amend-
24 ed—

1 (1) in clause (i), by striking “October 1, 2017”
2 and inserting “October 1, 2018”; and

3 (2) in clause (ii), by striking “October 1, 2017”
4 and inserting “October 1, 2018”.

5 **SEC. 11. MORTGAGE PROTECTION FOR MEMBERS OF THE**
6 **ARMED FORCES, SURVIVING SPOUSES, AND**
7 **CERTAIN VETERANS.**

8 (a) MEMBERS OF THE ARMED FORCES, SURVIVING
9 SPOUSES, AND CERTAIN DISABLED VETERANS.—

10 (1) IN GENERAL.—Title III of the
11 Servicemembers Civil Relief Act (50 U.S.C. App.
12 501 et seq.) is amended by inserting after section
13 303 the following new section:

14 **“SEC. 303A. MORTGAGES AND TRUST DEEDS OF CERTAIN**
15 **SERVICEMEMBERS, SURVIVING SPOUSES,**
16 **AND DISABLED VETERANS.**

17 “(a) MORTGAGE AS SECURITY.—This section applies
18 only to an obligation on real or personal property owned
19 by a covered individual that—

20 “(1) originated at any time and for which the
21 covered individual is still obligated; and

22 “(2) is secured by a mortgage, trust deed, or
23 other security in the nature of a mortgage.

24 “(b) STAY OF PROCEEDINGS.—

1 “(1) IN GENERAL.—In accordance with sub-
2 section (d)(1), in a judicial action pending or in a
3 nonjudicial action commenced during a covered time
4 period to enforce an obligation described in sub-
5 section (a), a court—

6 “(A) may, after a hearing and on its own
7 motion, stay the proceedings until the end of
8 the covered time period; and

9 “(B) shall, upon application by a covered
10 individual, stay the proceedings until the end of
11 the covered time period.

12 “(2) OBLIGATION TO STOP PROCEEDINGS.—
13 Upon receipt of notice provided under subsection
14 (d)(1), a mortgagee, trustee, or other creditor seek-
15 ing to foreclose on real property secured by an obli-
16 gation covered by this section using any judicial or
17 nonjudicial proceedings shall immediately stop any
18 such proceeding until the end of the covered time pe-
19 riod.

20 “(c) SALE OR FORECLOSURE.—A sale, judicial or
21 nonjudicial foreclosure, or seizure of property for a breach
22 of an obligation described in subsection (a) that is not
23 stayed under subsection (b) shall not be valid during a
24 covered time period except—

1 “(1) upon a court order granted before such
2 sale, judicial or nonjudicial foreclosure, or seizure
3 with a return made and approved by the court; or

4 “(2) if made pursuant to an agreement as pro-
5 vided in section 107.

6 “(d) NOTICE REQUIRED.—

7 “(1) IN GENERAL.—To be covered under this
8 section, a covered individual shall provide to the
9 mortgagee, trustee, or other creditor written notice
10 that such individual is so covered.

11 “(2) MANNER.—Written notice under para-
12 graph (1) may be provided electronically.

13 “(3) TIME.—Notice provided under paragraph
14 (1) shall be provided during the covered time period.

15 “(4) CONTENTS.—With respect to a service-
16 member described in subsection (g)(1)(A), notice
17 shall include—

18 “(A) a copy of the servicemember’s official
19 military orders, or any notification, certifi-
20 cation, or verification from a servicemember’s
21 commanding officer that provides evidence of
22 servicemember’s eligibility for special pay as de-
23 scribed in subsection (g)(1)(A); or

24 “(B) an official notice using a form de-
25 signed under paragraph (5).

1 “(5) OFFICIAL FORMS.—

2 “(A) IN GENERAL.—The Secretary of De-
3 fense shall design and distribute an official De-
4 partment of Defense form that can be used by
5 an individual to give notice under paragraph
6 (1).

7 “(B) USE OF OFFICIAL FORM NOT RE-
8 QUIRED.—Failure by any individual to use a
9 form designed or distributed under subpara-
10 graph (A) to provide notice shall not make such
11 provision of notice invalid.

12 “(e) AGGREGATE DURATION.—The aggregate dura-
13 tion for which a covered individual (except a servicemem-
14 ber described in subsection (g)(1)(A)) may be covered
15 under this section is one year.

16 “(f) MISDEMEANOR.—A person who knowingly
17 makes or causes to be made a sale, foreclosure, or seizure
18 of property that is prohibited by subsection (e), or who
19 knowingly attempts to do so, shall be fined as provided
20 in title 18, United States Code, or imprisoned for not more
21 than one year, or both.

22 “(g) DEFINITIONS.—In this section:

23 “(1) COVERED INDIVIDUAL.—The term ‘cov-
24 ered individual’ means the following individuals:

1 “(A) A servicemember who is or was eligi-
2 ble for hostile fire or imminent danger special
3 pay under section 310 of title 37, United States
4 Code, during a period of military service.

5 “(B) A servicemember placed on convales-
6 cent status, including a servicemember trans-
7 ferred to the temporary disability retired list
8 under section 1202 or 1205 of title 10, United
9 States Code.

10 “(C) A veteran who was medically dis-
11 charged and retired under chapter 61 of title
12 10, United States Code, except for a veteran
13 described in section 1207 of such title.

14 “(D) A surviving spouse (as defined in sec-
15 tion 101(3) of title 38, United States Code, and
16 in accordance with section 103 of such title) of
17 a servicemember who died while in military
18 service if such spouse is the successor in inter-
19 est to property covered under subsection (a).

20 “(2) COVERED TIME PERIOD.—The term ‘cov-
21 ered time period’ means the following time periods:

22 “(A) With respect to a servicemember who
23 is or was eligible for hostile fire or imminent
24 danger special pay under section 310 of title
25 37, United States Code, during a period of mili-

1 tary service, during the period beginning on the
2 first day on which the servicemember is or was
3 eligible for such special pay during such period
4 of military service and ending on the date that
5 is one year after the last day of such period of
6 military service.

7 “(B) With respect to a servicemember de-
8 scribed in paragraph (1)(B), during the one-
9 year period beginning on the date on which the
10 servicemember is placed on convalescent status
11 or transferred to the temporary disability re-
12 tired list under section 1202 or 1205 of title
13 10, United States Code.

14 “(C) With respect to a veteran described in
15 paragraph (1)(C), during the one-year period
16 beginning on the date of the retirement of such
17 veteran.

18 “(D) With respect to a surviving spouse of
19 a servicemember as described in paragraph
20 (1)(D), during the one-year period beginning on
21 the date on which the spouse receives notice of
22 the death of the servicemember.”.

23 (2) CLERICAL AMENDMENT.—The table of con-
24 tents in section 1(b) of such Act is amended by in-

1 serting after the item relating to section 303 the fol-
2 lowing new item:

 “Sec. 303A. Mortgages and trust deeds of certain servicemembers, surviving
 spouses, and disabled veterans.”.

3 (3) CONFORMING AMENDMENT.—Section 107
4 of the Servicemembers Civil Relief Act (50 U.S.C.
5 App. 517) is amended by adding at the end the fol-
6 lowing:

7 “(e) OTHER INDIVIDUALS.—For purposes of this sec-
8 tion, the term ‘servicemember’ includes any covered indi-
9 vidual under section 303A.”.

10 (b) INCREASED CIVIL PENALTIES FOR MORTGAGE
11 VIOLATIONS.—Paragraph (3) of section 801(b) of the
12 Servicemembers Civil Relief Act (50 U.S.C. App.
13 597(b)(3)) is amended to read as follows:

14 “(3) to vindicate the public interest, assess a
15 civil penalty—

16 “(A) with respect to a violation of section
17 207, 303, or 303A regarding real property—

18 “(i) in an amount not exceeding
19 \$110,000 for a first violation; and

20 “(ii) in an amount not exceeding
21 \$220,000 for any subsequent violation; and

22 “(B) with respect to any other violation of
23 this Act—

1 “(i) in an amount not exceeding
2 \$55,000 for a first violation; and

3 “(ii) in an amount not exceeding
4 \$110,000 for any subsequent violation.”.

5 (c) CREDIT DISCRIMINATION.—Section 108 of such
6 Act (50 U.S.C. App. 518) is amended—

7 (1) by striking “Application by” and inserting
8 “(a) APPLICATION OR RECEIPT.—Application by”;
9 and

10 (2) by adding at the end the following new sub-
11 section:

12 “(b) ELIGIBILITY.—In addition to the protections
13 under subsection (a), an individual who is entitled to any
14 right or protection provided under this Act may not be
15 denied or refused credit or be subject to any other action
16 described under paragraphs (1) through (6) of subsection
17 (a) solely by reason of such entitlement.”.

18 (d) EFFECTIVE DATE.—Section 303A of the
19 Servicemembers Civil Relief Act, as added by subsection
20 (a), and the amendments made by this section, shall take
21 effect on October 1, 2014.

1 **SEC. 12. TREATMENT OF RELOCATION FOR ACTIVE DUTY**
2 **FOR PURPOSES OF MORTGAGE REFI-**
3 **NANCING.**

4 (a) IN GENERAL.—Title III of the Servicemembers
5 Civil Relief Act (50 U.S.C. App. 531 et seq.) is amended
6 by inserting after section 303A, as added by section
7 11(a)(1), the following new section:

8 **“SEC. 303B. TREATMENT OF RELOCATION FOR ACTIVE**
9 **DUTY FOR PURPOSES OF MORTGAGE REFI-**
10 **NANCING.**

11 **“(a) TREATMENT OF ABSENCE FROM RESIDENCE**
12 **DUE TO ACTIVE DUTY.—**

13 **“(1) IN GENERAL.—**Subject to paragraph (2),
14 if, at any time that a servicemember who is the
15 mortgagor under an existing mortgage does not re-
16 side in the residence that secures the existing mort-
17 gage because of relocation described in subsection
18 (c)(1)(B), such servicemember inquires about or ap-
19 plies for a covered refinancing mortgage, such serv-
20 icemember shall be, for all purposes relating to the
21 covered refinancing mortgage, including such inquiry
22 or application and eligibility for and compliance with
23 any underwriting criteria and standards regarding
24 such covered refinancing mortgage, considered to oc-
25 cupy the residence that secures the existing mort-
26 gage to be paid or prepaid by such covered refi-

1 nancing mortgage as the principal residence of the
2 servicemember during the period of any such reloca-
3 tion.

4 “(2) LIMITATION.—Paragraph (1) shall not
5 apply with respect to a servicemember at any time
6 if, during the five-year period preceding such time,
7 the servicemember entered into a covered refi-
8 nancing mortgage pursuant to this section.

9 “(b) MORTGAGES ORIGINATED BEFORE PERIOD
10 MILITARY SERVICE.—If a covered refinancing mortgage
11 is entered into pursuant to this section with respect to
12 an existing mortgage that originated before the period of
13 the servicemember’s military service, such covered refi-
14 nancing mortgage shall be deemed to be an obligation that
15 originated before the period of the servicemember’s mili-
16 tary service and for which the servicemember is still obli-
17 gated for purposes of section 303(a)(1).

18 “(c) DEFINITIONS.—In this section:

19 “(1) EXISTING MORTGAGE.—The term ‘existing
20 mortgage’ means a mortgage that is secured by a 1-
21 to 4-family residence, including a condominium or a
22 share in a cooperative ownership housing associa-
23 tion, that was the principal residence of a service-
24 member for a period that—

1 “(A) had a duration of 13 consecutive
2 months or longer; and

3 “(B) ended upon the relocation of the serv-
4 icemember caused by the servicemember receiv-
5 ing military orders for a permanent change of
6 station or to deploy with a military unit, or as
7 an individual in support of a military operation,
8 for a period of not less than 90 days that did
9 not allow the servicemember to continue to oc-
10 cupy such residence as a principal residence.

11 “(2) COVERED REFINANCING MORTGAGE.—The
12 term ‘covered refinancing mortgage’ means any
13 mortgage—

14 “(A) that is made for the purpose of pay-
15 ing or prepaying, and extinguishing, the out-
16 standing obligations under an existing mortgage
17 or mortgages; and

18 “(B) that is secured by the same residence
19 that secured such existing mortgage or mort-
20 gages.”.

21 (b) CLERICAL AMENDMENT.—The table of contents
22 for such Act is amended by inserting after the item relat-
23 ing to section 303A the following new item:

“Sec. 303B. Treatment of relocation for active duty for purposes of mortgage
refinancing.”.

1 (c) EFFECTIVE DATE.—Section 303B of the
2 Servicemembers Civil Relief Act, as added by subsection
3 (a), and the amendments made by this section, shall take
4 effect on October 1, 2014.

5 **SEC. 13. REQUIREMENTS FOR LENDING INSTITUTIONS**
6 **THAT ARE CREDITORS FOR OBLIGATIONS**
7 **AND LIABILITIES COVERED BY THE**
8 **SERVICEMEMBERS CIVIL RELIEF ACT.**

9 Section 207 of the Servicemembers Civil Relief Act
10 (50 U.S.C. App. 527) is amended—

11 (1) by redesignating subsections (d) and (e) as
12 subsections (e) and (f), respectively; and

13 (2) by inserting after subsection (c) the fol-
14 lowing new subsection (d):

15 “(d) LENDING INSTITUTION REQUIREMENTS.—

16 “(1) COMPLIANCE OFFICERS.—Each lending in-
17 stitution subject to the requirements of this section
18 shall designate an employee of the institution as a
19 compliance officer who is responsible for ensuring
20 the institution’s compliance with this section and for
21 distributing information to servicemembers whose
22 obligations and liabilities are covered by this section.

23 “(2) TOLL-FREE TELEPHONE NUMBER.—Dur-
24 ing any fiscal year, a lending institution subject to
25 the requirements of this section that had annual as-

1 sets for the preceding fiscal year of \$10,000,000,000
2 or more shall maintain a toll-free telephone number
3 and shall make such telephone number available on
4 the primary Internet website of the institution.”.

5 **SECTION 14. PROTECTION OF CHILD CUSTODY ARRANGE-**
6 **MENTS FOR PARENTS WHO ARE MEMBERS OF**
7 **THE ARMED FORCES.**

8 (a) CHILD CUSTODY PROTECTION.—Title II of the
9 Servicemembers Civil Relief Act (50 U.S.C. App. 521 et
10 seq.) is amended by adding at the end the following new
11 section:

12 **“SEC. 208. CHILD CUSTODY PROTECTION.**

13 “(a) RESTRICTION ON TEMPORARY CUSTODY
14 ORDER.—If a court renders a temporary order for custo-
15 dial responsibility for a child based solely on a deployment
16 or anticipated deployment of a parent who is a service-
17 member, then the court shall require that, upon the return
18 of the servicemember from deployment, the custody order
19 that was in effect immediately preceding the temporary
20 order shall be reinstated, unless the court finds that such
21 a reinstatement is not in the best interest of the child,
22 except that any such finding shall be subject to subsection
23 (b).

24 “(b) LIMITATION ON CONSIDERATION OF MEMBER’S
25 DEPLOYMENT IN DETERMINATION OF CHILD’S BEST IN-

1 TEREST.—If a motion or a petition is filed seeking a per-
2 manent order to modify the custody of the child of a serv-
3 icemember, no court may consider the absence of the serv-
4 icemember by reason of deployment, or the possibility of
5 deployment, as the sole factor in determining the best in-
6 terest of the child.

7 “(c) NO FEDERAL JURISDICTION OR RIGHT OF AC-
8 TION OR REMOVAL.—Nothing in this section shall create
9 a Federal right of action or otherwise give rise to Federal
10 jurisdiction or create a right of removal.

11 “(d) PREEMPTION.—In any case where State law ap-
12 plicable to a child custody proceeding involving a tem-
13 porary order as contemplated in this section provides a
14 higher standard of protection to the rights of the parent
15 who is a deploying servicemember than the rights provided
16 under this section with respect to such temporary order,
17 the appropriate court shall apply the higher State stand-
18 ard.

19 “(e) DEPLOYMENT DEFINED.—In this section, the
20 term ‘deployment’ means the movement or mobilization of
21 a servicemember to a location for a period of longer than
22 60 days and not longer than 540 days pursuant to tem-
23 porary or permanent official orders—

24 “(1) that are designated as unaccompanied;

1 “(2) for which dependent travel is not author-
2 ized; or

3 “(3) that otherwise do not permit the move-
4 ment of family members to that location.”.

5 (b) CLERICAL AMENDMENT.—The table of contents
6 in section 1(b) of such Act is amended by adding at the
7 end of the items relating to title II the following new item:
“208. Child custody protection.”.

Amend the title so as to read: “A bill make certain
improvements in the laws administered by the Secretary
of Veterans Affairs relating to benefits, and for other
purposes.”.

