

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 5245**  
**OFFERED BY MR. Pappas**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Stopping Harm and  
3 Implementing Enhanced Lead-time for Debts for Veterans  
4 Act” or the “SHIELD for Veterans Act”.

5 **SEC. 2. PROHIBITION OF DEBT ARISING FROM OVERPAY-**  
6 **MENT DUE TO DELAY IN PROCESSING BY THE**  
7 **DEPARTMENT OF VETERANS AFFAIRS.**

8       (a) BAR TO RECOVERY.—

9           (1) IN GENERAL.—Chapter 53 of title 38,  
10 United States Code, is amended by inserting after  
11 section 5302A the following new section:

12 **“§ 5302B. Prohibition of debt arising from overpay-**  
13 **ment due to delay in processing**

14       “(a) LIMITATION.—No individual may incur a debt  
15 to the United States that—

16           “(1) arises from any program or benefit admin-  
17 istered by the Under Secretary for Benefits; and

1           “(2) is attributable to the failure of an em-  
2           ployee or official of the Department to process infor-  
3           mation provided by or on behalf of that individual  
4           within applicable timeliness standards established by  
5           the Secretary.

6           “(b) NOTICE TO BENEFICIARY.—If the Secretary de-  
7           termines that the Secretary has made an overpayment to  
8           an individual, the Secretary shall provide notice to the in-  
9           dividual of the overpayment. Such notice shall include an  
10          explanation of the right of the individual to dispute the  
11          overpayment or to request a waiver of indebtedness.

12          “(c) DELAY ON COLLECTION.—The Secretary may  
13          not take any action under section 3711 of title 31 regard-  
14          ing an overpayment described in a notice under subsection  
15          (b) until the date that is 90 days after the date the Sec-  
16          retary issues such notice.”.

17          (2) CLERICAL AMENDMENT.—The table of sec-  
18          tions at the beginning of such chapter is amended  
19          by inserting after the item relating to section 5302A  
20          the following new item:

“5302B. Prohibition of debt arising from overpayment due to delay in pro-  
        cessing.”.

21          (3) DEADLINE.—The Secretary of Veterans Af-  
22          fairs shall prescribe regulations to establish stand-  
23          ards under section 5302B(a)(2) of such title, as

1 added by subsection (a), not later than 180 days  
2 after the date of the enactment of this Act.

3 (b) PLAN FOR IMPROVED NOTIFICATION AND COM-  
4 MUNICATION OF DEBTS.—Not later than 180 days after  
5 the date of the enactment of this Act, and one year there-  
6 after, the Secretary of Veterans Affairs shall submit to  
7 Congress a report on the improvement of the notification  
8 of and communication with individuals who receive over-  
9 payments made by the Secretary. Such report shall include  
10 each of the following:

11 (1) The plan of the Secretary to carry out each  
12 of the following:

13 (A) The development and implementation  
14 of a mechanism by which individuals enrolled in  
15 the patient enrollment system under section  
16 1705 of title 38, United States Code, may view  
17 their monthly patient medical statements elec-  
18 tronically.

19 (B) The development and implementation  
20 of a mechanism by which individuals eligible for  
21 benefits under the laws administered by the  
22 Secretary may receive electronic correspondence  
23 relating to debt and overpayment information.

24 (C) The development and implementation,  
25 by not later than October 1, 2022, of a mecha-

1 nism by which individuals eligible for benefits  
2 under the laws administered by the Secretary  
3 may access information related to Department  
4 of Veterans Affairs debt electronically.

5 (D) The improvement and clarification of  
6 Department communications relating to over-  
7 payments and debt collection, including letters  
8 and electronic correspondence. The Secretary  
9 shall develop such improvements and clarifica-  
10 tions in consultation with veterans service orga-  
11 nizations and other relevant non-governmental  
12 organizations.

13 (E) The development and implementation,  
14 by not later than October 1, 2022, of a  
15 mechanism by which veterans may update their  
16 dependency information electronically.

17 (2) A description of the current efforts and  
18 plans for improving the accuracy of payments to in-  
19 dividuals entitled to benefits under the laws adminis-  
20 tered by the Secretary, including specific data  
21 matching agreements.

22 (3) A description of steps to be taken to im-  
23 prove the identification of underpayments to such in-  
24 dividuals and to improve Department procedures

1 and policies to ensure that such individuals who are  
2 underpaid receive adequate compensation payments.

3 (4) A list of actions completed, implementation  
4 steps, and timetables for each requirement described  
5 in paragraphs (1) through (3).

6 (5) A description of any new legislative author-  
7 ity required to complete any such requirement.

8 **SEC. 3. PROHIBITION ON DEPARTMENT OF VETERANS AF-**  
9 **FAIRS INTEREST AND ADMINISTRATIVE COST**  
10 **CHARGES FOR DEBTS RELATING TO CERTAIN**  
11 **BENEFITS PROGRAMS.**

12 (a) IN GENERAL.—Section 5315(a)(1) of title 38,  
13 United States Code, is amended—

14 (1) by striking “other than a loan” and all that  
15 follows through the semicolon and inserting “other  
16 than—”; and

17 (2) by adding at the end the following new sub-  
18 paragraphs:

19 “(A) a loan, loan-guaranty, or loan-insur-  
20 ance program;

21 “(B) a disability compensation program;

22 “(C) a pension program; or

23 “(D) an educational assistance program.”.

24 (b) EFFECTIVE DATE.—The amendments made by  
25 subsection (a) shall apply with respect to an indebtedness

1 that occurs on or after the date of the enactment of this  
2 Act.

3 **SEC. 4. THRESHOLD FOR REPORTING DEBTS TO CON-**  
4 **SUMER REPORTING AGENCIES.**

5 (a) IN GENERAL.—Chapter 53 of title 38, United  
6 States Code, is amended by adding after section 5319 the  
7 following new section:

8 **“§ 5320. Threshold for reporting debts to consumer**  
9 **reporting agencies**

10 “The Secretary shall prescribe regulations that estab-  
11 lish the minimum amount of a claim or debt, arising from  
12 a benefit administered by the Under Secretary for Bene-  
13 fits or Under Secretary for Health, that the Secretary will  
14 report to a consumer reporting agency under section 3711  
15 of title 31.”.

16 (b) CLERICAL AMENDMENT.—The table of sections  
17 at the beginning of such chapter is amended by adding  
18 after the item relating to section 5319 the following new  
19 item:

“5320.Threshold for reporting debts to consumer reporting agencies.”.

20 (c) DEADLINE.—The Secretary of Veterans Affairs  
21 shall prescribe regulations under section 5320 of such  
22 title, as added by subsection (a), not later than 180 days  
23 after the date of the enactment of this Act.

1 **SEC. 5. EXTENSION OF WINDOW TO REQUEST RELIEF FROM**  
2 **RECOVERY OF DEBT ARISING UNDER LAWS**  
3 **ADMINISTERED BY THE SECRETARY OF VET-**  
4 **ERANS AFFAIRS.**

5 Section 5302(a) of title 38, United States Code, is  
6 amended by striking “180 days” and inserting “one year”.

