

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

To amend title 38, United States Code, to adjust certain limits on the guaranteed amount of a home loan under the home loan program of the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, United States Code, to adjust certain limits on the guaranteed amount of a home loan under the home loan program of the Department of Veterans Affairs, 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. LOANS GUARANTEED UNDER HOME LOAN PRO-**
4 **GRAM OF DEPARTMENT OF VETERANS AF-**
5 **FAIRS.**

6 (a) ADJUSTMENT OF LOAN LIMIT.—

1 (1) IN GENERAL.—Section 3703(a)(1) of title
2 38, United States Code, is amended—

3 (A) in subparagraph (A)—

4 (i) in clause (i)(IV), by striking “the
5 lesser of the maximum guaranty amount
6 (as defined in subparagraph (C)) or”;

7 (ii) in clause (ii), by striking “sub-
8 paragraph (B) of this paragraph” and in-
9 serting “subparagraph (B) or (C)”;

10 (B) in subparagraph (B)—

11 (i) by striking “The maximum” and
12 inserting “With respect to loans described
13 in subclauses (I), (II), or (III) of subpara-
14 graph (A)(i), the maximum”; and

15 (ii) by striking “or in the case” and
16 all that follows through “subparagraph
17 (C)),”; and

18 (C) by striking subparagraph (C) and in-
19 serting the following new subparagraph (C):

20 “(C)(i) With respect to loans described in subclause
21 (IV) of subparagraph (A)(i) made to a covered veteran,
22 the maximum amount of guaranty entitlement available
23 to the veteran shall be 25 percent of the Freddie Mac con-
24 forming loan limit, reduced by the amount of entitlement
25 previously used by the veteran under this chapter and not

1 restored as a result of the exclusion in section 3702(b)
2 of this title.

3 “(ii) In this subparagraph:

4 “(I) The term ‘covered veteran’ means a vet-
5 eran who has previously used entitlement under this
6 chapter and for whom the full amount of entitlement
7 so used has not been restored as a result of the ex-
8 clusion in section 3702(b) of this title.

9 “(II) The term ‘Freddie Mac conforming loan
10 limit’ means the limit determined under section
11 305(a)(2) of the Federal Home Loan Mortgage Cor-
12 poration Act (12 U.S.C. 1454(a)(2)) for a single-
13 family residence, as adjusted for the year involved.”.

14 **[(2) LOANS TO NATIVE AMERICAN VET-**
15 **ERANS.—Section 3762(c) of such title is amended—**
16 **]**

17 **[(A) by striking paragraph (1); and]**

18 **[(B) by redesignating paragraphs (2) and**
19 **(3) as paragraphs (1) and (2), respectively.]**

20 **(3) CONFORMING AMENDMENT.—Section**
21 **3710(d)(4) of such title is amended by striking “sec-**
22 **tion 3703(a)(1)(B) of this title” and inserting “sub-**
23 **paragraph (B) or (C) of section 3703(a)(1) of this**
24 **title”.**

1 (b) WAIVER OF FEES FOR PURPLE HEART RECIPI-
2 ENTS.—Section 3729(c)(1) of such title is amended—

3 (1) by striking “or from a surviving spouse”
4 and inserting “, from a surviving spouse”; and

5 (2) by inserting before the period at the end the
6 following: “, or from a member of the Armed Forces
7 serving on active duty who was awarded the Purple
8 Heart”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply with respect to a loan guaranteed
11 under section 3710 of title 38, United States Code, on
12 or after January 1, 2020.