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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend title 38, United States Code, to improve the accuracy of mortgage underwriting for home loans guaranteed by the Department of Veterans Affairs by ensuring that energy costs are included in the underwriting process, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. LEVIN of California introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend title 38, United States Code, to improve the accuracy of mortgage underwriting for home loans guaranteed by the Department of Veterans Affairs by ensuring that energy costs are included in the underwriting process, 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 “Value Added Homes  
5       for Veterans Act” or the “VA Homes for Veterans Act”.

1 **SEC. 2. ENHANCED LOAN ELIGIBILITY REQUIREMENTS.**

2 (a) IN GENERAL.—Section 3710 of title 38, United  
3 States Code, is amended—

4 (1) in subsection (g)(3)(C), by inserting “, in-  
5 cluding with respect to the energy efficiency of the  
6 home for which the loan is to be guaranteed as de-  
7 scribed in subsection (i)” before the period; and

8 (2) by adding at the end the following new sub-  
9 section:

10 “(i)(1) In cases where a veteran provides to the Sec-  
11 retary an energy efficiency report described in paragraph  
12 (2) for a home for which a loan is to be guaranteed, the  
13 procedures established pursuant to subparagraph (C) of  
14 subsection (g)(3) for ascertaining the monthly income re-  
15 quired by a veteran to meet anticipated loan payment  
16 terms shall take into consideration the estimated energy  
17 cost savings expected for the veteran for the home, includ-  
18 ing such cost savings relating to the cost of electricity,  
19 natural gas, oil, and any other fuel regularly used to sup-  
20 ply energy to the home. Any such cost savings shall be  
21 used to offset regular expenses for the home calculated  
22 in the debt-to-income ratio described in subparagraph  
23 (A) of such subsection.

24 “(2) An energy efficiency report described in this  
25 paragraph, with respect to a home for which a loan is to  
26 be guaranteed, means a report that—

1           “(A) estimates the expected energy cost savings  
2           specific to the home, based on specific information  
3           about the home;

4           “(B) is prepared in accordance with regulations  
5           prescribed by the Secretary for purposes of this sub-  
6           section; and

7           “(C) is prepared in accordance with—

8                 “(i) the Residential Energy Service Net-  
9                 work’s Home Energy Rating System (commonly  
10                know as “HERS”) by an individual certified by  
11                such Network; or

12               “(ii) other methods determined appropriate  
13               by the Secretary, in consultation with the advi-  
14               sory committee under paragraph (3), including  
15               with respect to third-party quality assurance  
16               procedures.

17           “(3) To assist the Secretary in carrying out this sub-  
18           section, the Secretary shall establish an advisory group  
19           consisting of individuals representing the interests of—

20               “(A) mortgage lenders;

21               “(B) appraisers;

22               “(C) energy raters and residential energy con-  
23               sumption experts;

24               “(D) energy efficiency organizations;

25               “(E) real estate agents;

1 “(F) home builders and remodelers;  
2 “(G) consumer advocates;  
3 “(H) veterans’ service organizations; and  
4 “(I) other persons determined appropriate by  
5 the Secretary.

6 “(4) Not later than April 1, 2022, and every year  
7 thereafter, the Secretary shall submit to Congress and  
8 make publicly available a report that—

9 “(A) enumerates the number of loans guaran-  
10 teed for which a veteran provided to the Secretary  
11 an energy efficiency report, including the number of  
12 such loans for which cost savings were taken into ac-  
13 count pursuant to paragraph (1); and

14 “(B) of the number of loans enumerated under  
15 subparagraph (A), an enumeration of the default  
16 rates and rates of foreclosure, including how such  
17 enumeration compares with the default rates and  
18 rates of foreclosure for guaranteed loans for which  
19 no energy efficiency report is provided.”.

20 (b) CLARIFICATION OF REQUIREMENTS REGARDING  
21 ENERGY EFFICIENCY STANDARDS.—Section 3704(f) of  
22 such title is amended by striking “such standards” and  
23 inserting the following: “the standards established under  
24 such section 109, as in effect on the date of such construc-  
25 tion”.