

[DISCUSSION DRAFT]

119TH CONGRESS
2^D SESSION

H. R. _____

To codify processing timelines for applications for the assumption of a loan guaranteed by the Department of Veterans Affairs, to require the Inspector General of the Department to conduct an assessment of loan servicer compliance with such timelines, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To codify processing timelines for applications for the assumption of a loan guaranteed by the Department of Veterans Affairs, to require the Inspector General of the Department to conduct an assessment of loan servicer compliance with such timelines, 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 “Affordable Homes for
5 Veterans Act of 2026”.

1 **SEC. 2. CODIFICATION OF 45-CALENDAR-DAY PROCESSING**
2 **REQUIREMENT FOR APPLICATIONS FOR DE-**
3 **PARTMENT OF VETERANS AFFAIRS HOME**
4 **LOAN ASSUMPTIONS.**

5 (a) IN GENERAL.—Chapter 37 of title 38, United
6 States Code, is amended by inserting after section 3710
7 the following new section:

8 **“SEC. 3710A. PROCESSING TIMELINES FOR LOAN ASSUMP-**
9 **TIONS.**

10 “(a) PROCESSING REQUIREMENT.—The servicer of a
11 loan guaranteed under this chapter shall process and
12 render a decision on a complete application for the as-
13 sumption of such a loan within 45 calendar days of receipt
14 of such complete application. The requirement under this
15 subsection shall apply regardless of whether the servicer—

16 “(1) is authorized to approve loan assumptions
17 independently; or

18 “(2) is required to submit an application for a
19 loan assumption to a regional loan center of the De-
20 partment for approval.

21 “(b) COMPLETE APPLICATION DEFINED.—In this
22 section, the term ‘complete application’ means an applica-
23 tion that includes all documents and information required
24 by Department regulations for review and approval.”.

25 (b) CONFORMING AMENDMENT.—The table of sec-
26 tions in chapter 37 of title 38, United States Code, is

1 amended by inserting after the item relating to section
2 3710 the following new item:

“3710A. Processing timelines for loan assumptions.”.

3 **SEC. 3. GUIDANCE ON TIMELINES FOR SERVICERS OF**
4 **LOANS GUARANTEED BY THE SECRETARY OF**
5 **VETERANS AFFAIRS.**

6 Not later than 30 days after the date of the enact-
7 ment of this Act, the Secretary of Veterans Affairs shall
8 update guidance and communications materials for
9 servicers of loans guaranteed under chapter 37 of title 38,
10 United States Code, to clearly state that—

11 (1) the 45-calendar-day processing timeline es-
12 tablished in section 3710A of title 38, United States
13 Code, as inserted by section 3, is a statutory re-
14 quirement;

15 (2) servicers may not threaten, suggest, or
16 imply to individuals who are potential assumers of
17 such loans that the processing timeline will exceed
18 45 calendar days as a reason to discourage assump-
19 tions; and

20 (3) any communication made by servicers re-
21 garding processing timelines must be consistent with
22 the statutory requirement.

23 **SEC. 4. OFFICE OF INSPECTOR GENERAL ASSESSMENT.**

24 (a) **IN GENERAL.**—Not later than 90 days after the
25 date of the enactment of this Act, the Inspector General

1 of the Department of Veterans Affairs, in consultation
2 with the Comptroller General of the United States, shall
3 conduct an assessment of each of the following:

4 (1) During the three-year period preceding the
5 date on which the assessment is commenced, the ex-
6 tent to which servicers of loans guaranteed under
7 chapter 37 of title 38, United States Code, processed
8 applications for assumptions of loans guaranteed
9 under chapter 37 of title 38, United States Code,
10 within the 45-calendar-day timeline required by sec-
11 tion 3710A of title 38, United States Code, as added
12 by section 3.

13 (2) The average processing time for applica-
14 tions for assumption of loans guaranteed under such
15 chapter that are submitted to servicers of such loans
16 and regional loan centers of the Department,
17 disaggregated by servicer and by region.

18 (3) The frequency and nature of communica-
19 tions by servicers of such loans to individuals who
20 are potential assumers of such loans regarding proc-
21 essing timelines, including instances in which
22 servicers suggested or implied that processing would
23 take longer than 45 calendar days.

24 (4) The denial rates for applications to assume
25 such loans, compared to the rates of approval and

1 withdrawal of such applications, including an assess-
2 ment of whether extended timelines may be discour-
3 aging applicants.

4 (5) The comparative denial rates between appli-
5 cations to assume such loans and applications for
6 new loans guaranteed under such chapter, including
7 an assessment of whether assumptions are being
8 subjected to higher or more stringent approval
9 standards than new loans.

10 (6) Any evidence of discrimination or disparate
11 treatment of individuals who submit applications to
12 assume such loans compared to individuals who sub-
13 mit applications for new loans, including differences
14 in underwriting standards, required documentation,
15 creditworthiness thresholds, or timelines based on
16 borrower characteristics.

17 (7) Any barriers within the operations, staffing,
18 or systems of servicers of such loans that prevent
19 timely processing of applications to assume such
20 loans.

21 (8) The adequacy of Department oversight of
22 the compliance of servicers of such loans with as-
23 sumption processing requirements.

24 (b) REPORT TO CONGRESS.—Not later than 18
25 months after the date of the enactment of this Act, the

1 Inspector General of the Department of Veterans Affairs
2 shall submit to Congress a report containing—

3 (1) the findings of the assessment required by
4 subsection (a);

5 (2) an identification of any servicers of loans
6 guaranteed under chapter 37 of title 38, United
7 States Code, that fail to meet the 45-calendar-day
8 requirement under section 3710A of title 38, United
9 States Code, as added by section 3, on a consistent
10 basis;

11 (3) an analysis of denial rates for applications
12 to assume such loans compared to denial rates for
13 applications for new loans guaranteed under such
14 chapter, including an identification of any dispari-
15 ties;

16 (4) an analysis of whether assumptions of such
17 loans are subject to higher or more stringent under-
18 writing standards, creditworthiness thresholds, or
19 documentation requirements than new loans;

20 (5) findings regarding potential discrimination
21 or disparate treatment of individuals who submit ap-
22 plications to assume such loans;

23 (6) recommendations for enforcement mecha-
24 nisms to ensure the compliance of servicers of such
25 loans with applicable requirements; and

1 (7) an identification of any additional legislative
2 or regulatory changes needed to improve the proc-
3 essing of applications to assume such loans and en-
4 sure equitable treatment compared to applications
5 for new loans.

6 (c) PUBLIC DATA.—The Inspector General shall
7 make publicly accessible the anonymized data collected for
8 purposes of conducting the assessment required under
9 subsection (a).