

**Union Calendar No. 342**

103D CONGRESS  
2D SESSION

**H. R. 4724**

**[Report No. 103-629]**

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**A BILL**

To amend title 38, United States Code, relating to veterans housing programs, and for other purposes.

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JULY 28, 1994

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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### IN THE HOUSE OF REPRESENTATIVES

JULY 12, 1994

Mr. SANGMEISTER introduced the following bill; which was referred to the  
Committee on Veterans' Affairs

JULY 28, 1994

Additional sponsors: Mr. BISHOP, Mr. HEFNER, Mr. RICHARDSON, Mr.  
STENHOLM, Mr. PAYNE of Virginia, and Mr. PARKER

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## A BILL

To amend title 38, United States Code, relating to veterans  
housing programs, 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,*

1 **SECTION 1. ELIGIBILITY.**

2 (a) RESERVISTS DISCHARGED BECAUSE OF A SERV-  
3 ICE-CONNECTED DISABILITY.—Section 3701(b)(5)(A) of  
4 title 38, United States Code, is amended—

5 (1) by inserting “(i)” before “who has”; and

6 (2) by striking out the period at the end thereof  
7 and inserting in lieu thereof “, or (ii) who was dis-  
8 charged or released from the Selected Reserve before  
9 completing 6 years of service because of a service-  
10 connected disability.”.

11 (b) SURVIVING SPOUSES OF RESERVISTS WHO DIED  
12 WHILE IN ACTIVE MILITARY, NAVAL, OR AIR SERVICE.—  
13 The second sentence of section 3701(b)(2) of such title  
14 is amended—

15 (1) by inserting “or service in the Selected Re-  
16 serve” after “duty” each place it appears; and

17 (2) by striking out “spouse shall” and inserting  
18 in lieu thereof “deceased spouse shall”.

19 **SEC. 2. PUBLIC AND COMMUNITY WATER AND SEWERAGE**  
20 **SYSTEMS.**

21 Section 3704 of title 38, United States Code, is  
22 amended—

23 (1) by striking out subsection (e); and

24 (2) by redesignating subsections (f) and (g) as  
25 subsections (e) and (f), respectively.

1 **SEC. 3. REFINANCING LOANS.**

2 (a) AUTHORITY TO GUARANTEE HOME REFINANCE  
3 LOANS FOR ENERGY EFFICIENCY IMPROVEMENTS.—

4 (1) LOANS.—(A) Section 3710(a) of title 38,  
5 United States Code, is amended by adding after  
6 paragraph (10) the following:

7 “(11) To refinance in accordance with sub-  
8 section (e) of this section an existing loan guaran-  
9 teed, insured, or made under this chapter, and to  
10 improve the dwelling securing such loan through en-  
11 ergy efficiency improvements, as provided in sub-  
12 section (d) of this section.”.

13 (B) Section 3710(e)(1) of such title is amended  
14 by inserting “or subsection (a)(11)” after “sub-  
15 section (a)(8)”.

16 (2) FEE.—Section 3729(a)(2)(E) of such title  
17 is amended by inserting “3710(a)(11),” after  
18 “3710(a)(9)(B)(i),”.

19 (b) REFINANCING ADJUSTABLE RATE MORTGAGES  
20 TO FIXED RATE MORTGAGES.—Section 3710(e)(1)(A) of  
21 such title is amended—

22 (1) by inserting “(i)” after “(A);

23 (2) by inserting “or” at the end of clause (i),  
24 as designated by paragraph (1) of this subsection;  
25 and

1           (3) by adding after such clause (i), the follow-  
2           ing:

3           “(ii) the loan bears interest at a fixed rate that  
4           is agreed upon by the veteran and the mortgagee,  
5           and the loan being refinanced is an adjustable rate  
6           loan.”.

7   **SEC. 4. MANUFACTURED HOME LOAN INSPECTIONS.**

8           (a) CERTIFICATION OF CONFORMITY WITH STAND-  
9           ARDS.—Section 3712(h) of title 38, United States Code,  
10          is amended by amending paragraph (2) to read as follows:

11          “(2) Any manufactured housing unit properly dis-  
12          playing a certification of conformity to all applicable Fed-  
13          eral manufactured home construction and safety stand-  
14          ards pursuant to section 616 of the National Manufac-  
15          tured Housing Construction and Safety Standards Act of  
16          1974 (42 U.S.C. 5415) shall be deemed to meet the stand-  
17          ards required by paragraph (1) of this subsection.”.

18          (b) REPEAL OF INSPECTION REQUIREMENTS.—Sec-  
19          tion 3712(j) of such title is amended—

20                 (1) by striking out “refuses to permit the in-  
21                 spections provided for in subsection (h) of this sec-  
22                 tion; or in the case of manufactured homes which  
23                 are determined by the Secretary not to conform to  
24                 the aforesaid standards; or where the manufacturer  
25                 of manufactured homes”; and

1           (2) by striking “warranty.” and inserting in  
2           lieu thereof “warranty; in the case of manufactured  
3           homes which are determined by the Secretary not to  
4           conform to the standards provided for in subsection  
5           (h) of this section; or in the case of a manufacturer  
6           who has engaged in procedures or practices deter-  
7           mined by the Secretary to be unfair or prejudicial to  
8           veterans or the Government.”.

9           (c) ELIMINATION OF REPORTING REQUIREMENT.—  
10          Section 3712(l) of such title is amended—

11           (1) by striking out “the results of inspections  
12           required by subsection (h) of this section,”; and

13           (2) by striking out “section, and” and inserting  
14           in lieu thereof “section and”.

15          **SEC. 5. PROCEDURES ON DEFAULT.**

16           (a) IN GENERAL.—Paragraph (7) of section 3732(c)  
17          of title 38, United States Code, is amended—

18           (1) by striking out “that was the minimum  
19           amount for which, under applicable State law, the  
20           property was permitted to be sold at the liquidation  
21           sale” in the matter preceding subparagraph (A);

22           (2) by striking out “the Secretary may accept  
23           conveyance of the property to the United States for  
24           a price not exceeding” and inserting in lieu thereof  
25           “(i) the amount was the minimum amount for

1 which, under applicable State law, the property was  
2 permitted to be sold at the liquidation sale, the hold-  
3 er shall have the option to convey the property to  
4 the United States in return for payment by the Sec-  
5 retary of an amount equal to”;

6 (3) by striking out “and” at the end of clause  
7 (i), as so designated by paragraph (2), and inserting  
8 in lieu thereof “or”;

9 (4) by adding after such clause (i) the follow-  
10 ing:

11 “(ii) there was no minimum amount for which  
12 the property had to be sold at the liquidation sale  
13 under applicable State law, the holder shall have the  
14 option to convey the property to the United States  
15 in return for payment by the Secretary of an  
16 amount equal to the lesser of such net value or total  
17 indebtedness; and”;

18 (5) in subparagraph (B), by striking out “para-  
19 graph (6)(B)” and inserting in lieu thereof “para-  
20 graph (6)”.

21 (b) CONFORMING AMENDMENT.—Paragraph (6) of  
22 such section is amended—

23 (1) by striking out “either”; and

1           (2) by striking out “sale or acquires” and all  
2           that follows through “(B) the” and inserting in lieu  
3           thereof “sale, the”.

4 **SEC. 6. MINIMUM ACTIVE-DUTY SERVICE REQUIREMENT.**

5           Section 5303A(b)(3) of title 38, United States Code,  
6 is amended—

7           (1) by striking out “or” at the end of subpara-  
8           graph (E);

9           (2) by striking out the period at the end of sub-  
10          paragraph (F) and inserting in lieu thereof “; or”;  
11          and

12          (3) by inserting after subparagraph (F) the fol-  
13          lowing:

14                 “(G) to benefits under chapter 37 of this  
15                 title by reason of discharge or release from ac-  
16                 tive duty as a result of a reduction in force, as  
17                 determined by the Secretary of the military de-  
18                 partment concerned in accordance with regula-  
19                 tions prescribed by the Secretary of Defense or  
20                 by the Secretary of Transportation with respect  
21                 to the Coast Guard when it is not operating as  
22                 a service in the Navy.”.