

107TH CONGRESS  
1ST SESSION

# H. R. 2359

To amend title 38, United States Code, to authorize the payment of National Service Life Insurance and United States Government Life Insurance proceeds to an alternate beneficiary when the first beneficiary cannot be identified, to improve and extend the Native American veteran housing loan pilot program, and to eliminate the requirement to provide the Secretary of Veterans Affairs a copy of a notice of appeal to the Court of Appeals for Veterans Claims.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. SMITH of New Jersey (for himself and Mr. EVANS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to authorize the payment of National Service Life Insurance and United States Government Life Insurance proceeds to an alternate beneficiary when the first beneficiary cannot be identified, to improve and extend the Native American veteran housing loan pilot program, and to eliminate the requirement to provide the Secretary of Veterans Affairs a copy of a notice of appeal to the Court of Appeals for Veterans Claims.

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. PAYMENT OF INSURANCE PROCEEDS TO AN AL-**  
2 **TERNATE BENEFICIARY WHEN FIRST BENE-**  
3 **FICIARY CANNOT BE IDENTIFIED.**

4 (a) NSLI.—Section 1917 of title 38, United States  
5 Code, is amended by adding at the end the following new  
6 subsection:

7 “(f)(1) Following the death of the insured—

8 “(A) if the first beneficiary otherwise entitled to  
9 payment of the insurance proceeds does not make a  
10 claim for such payment within two years after the  
11 death of the insured, payment of the proceeds may  
12 be made to another beneficiary designated by the in-  
13 sured, in the order of precedence as designated by  
14 the insured, as if the first beneficiary had pre-  
15 deceased the insured; and

16 “(B) if within four years after the death of the  
17 insured, no claim has been filed by a person des-  
18 ignated by the insured as a beneficiary and the Sec-  
19 retary has not received any notice in writing that  
20 any such claim will be made, payment of the insur-  
21 ance proceeds may (notwithstanding any other provi-  
22 sion of law) be made to such person as may in the  
23 judgment of the Secretary be equitably entitled to  
24 the proceeds of the policy.

25 “(2) Payment of insurance proceeds under paragraph  
26 (1) shall be a bar to recovery by any other person.”.

1       (b) USGLI.—Section 1951 of such title is  
2 amended—

3           (1) by inserting “(a)” before “United States  
4 Government”; and

5           (2) by adding at the end the following new sub-  
6 section:

7       “(b)(1) Following the death of the insured—

8           “(A) if the first beneficiary otherwise entitled to  
9 payment of the insurance proceeds does not make a  
10 claim for such payment within two years after the  
11 death of the insured, payment of the proceeds may  
12 be made to another beneficiary designated by the in-  
13 sured, in the order of precedence as designated by  
14 the insured, as if the first beneficiary had pre-  
15 deceased the insured; and

16           “(B) if within four years after the death of the  
17 insured, no claim has been filed by a person des-  
18 ignated by the insured as a beneficiary and the Sec-  
19 retary has not received any notice in writing that  
20 any such claim will be made, payment of the insur-  
21 ance proceeds may (notwithstanding any other provi-  
22 sion of law) be made to such person as may in the  
23 judgment of the Secretary be equitably entitled to  
24 the proceeds of the policy.

1       “(2) Payment of insurance proceeds under paragraph  
2 (1) shall be a bar to recovery by any other person.”.

3       (c) **TRANSITION PROVISION.**—In the case of a person  
4 insured under subchapter I or II of chapter 19 of title  
5 38, United States Code, who dies before the date of the  
6 enactment of this Act, the two-year and four-year periods  
7 specified in subsection (f)(1) of section 1917 of title 38,  
8 United States Code, as added by subsection (a), and sub-  
9 section (b)(1) of section 1951 of such title, as added by  
10 subsection (b), shall for purposes of the applicable sub-  
11 section be treated as being the two-year and four-year pe-  
12 riods, respectively, beginning on the date of the enactment  
13 of this Act.

14 **SEC. 2. NATIVE AMERICAN VETERAN HOUSING LOAN PILOT**  
15 **PROGRAM.**

16       (a) **EXTENSION OF NATIVE AMERICAN VETERAN**  
17 **HOUSING LOAN PILOT PROGRAM.**—Section 3761(c) of  
18 title 38, United States Code, is amended by striking  
19 “2001” and inserting “2005”.

20       (b) **AUTHORIZATION OF THE USE OF CERTAIN FED-**  
21 **ERAL MEMORANDUMS OF UNDERSTANDING.**—Section  
22 3762(a)(1) of such title is amended—

23               (1) by inserting “(A)” after “(1)”;

24               (2) by striking “and” after the semicolon and  
25       inserting “or”; and

1 (3) by adding at the end the following:

2 “(B) the tribal organization that has jurisdic-  
3 tion over the veteran has entered into a memo-  
4 randum of understanding with any department or  
5 agency of the United States with respect to direct  
6 housing loans to Native Americans that the Sec-  
7 retary determines—

8 “(i) contemplates loans made under this  
9 subchapter; and

10 “(ii) substantially complies with the re-  
11 quirements of subsection (b); and”.

12 (c) MODIFICATION OF LOAN ASSUMPTION NOTICE  
13 REQUIREMENT.—Section 3714(d) of such title is amended  
14 to read as follows:

15 “(d) With respect to a loan guaranteed, insured, or  
16 made under this chapter, the Secretary shall provide, by  
17 regulation, that at least one instrument evidencing either  
18 the loan or the mortgage or deed of trust therefor, shall  
19 conspicuously contain, in such form as the Secretary shall  
20 specify, a notice in substantially the following form: ‘This  
21 loan is not assumable without the approval of the Depart-  
22 ment of Veterans Affairs or its authorized agent’.”.

1 **SEC. 3. ELIMINATION OF REQUIREMENT FOR PROVIDING A**  
2 **COPY OF NOTICE OF APPEAL TO THE SEC-**  
3 **RETARY.**

4 (a) REPEAL.—Section 7266 of title 38, United States  
5 Code, is amended by striking subsection (b).

6 (b) CONFORMING AMENDMENTS.—Such section is  
7 further amended—

8 (1) by striking “(1)” after “(a)”;

9 (2) by redesignating paragraph (2) as sub-  
10 section (b);

11 (3) by redesignating paragraph (3) as sub-  
12 section (c) and redesignating subparagraphs (A) and  
13 (B) thereof as paragraphs (1) and (2); and

14 (4) by redesignating paragraph (4) as sub-  
15 section (d) and by striking “paragraph (3)(B)”  
16 therein and inserting “subsection (c)(2)”.

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