

110TH CONGRESS
1ST SESSION

H. R. 4539

To amend title 38, United States Code, to make certain improvements to the housing loan benefit program of the Department of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

Mr. BUYER (for himself and Mr. MICHAUD) introduced the following bill;
which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to make certain improvements to the housing loan benefit program of the Department of Veterans Affairs.

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 “Department of Vet-
5 erans Affairs Loan Guaranty Cost Reduction Act of
6 2007”.

7 **SEC. 2. IMPROVEMENTS TO HOUSING LOAN PROGRAM OF**
8 **DEPARTMENT OF VETERANS AFFAIRS.**

9 (a) INCREASE IN MAXIMUM GUARANTY AMOUNT.—

10 Section 3703(a)(1)(C) of title 38, United States Code, is

1 amended by inserting “125 percent of” after “25 percent
2 of”.

3 (b) EXTENSION OF CERTAIN LOAN FEE DETER-
4 MINATION PERIODS.—Section 3729(b)(2) of title 38,
5 United States Code, is amended—

6 (1) in subparagraphs (A)(iii) and (iv), (B)(ii),
7 (C)(i) and (iii), and (D)(i) and (ii), by striking “Oc-
8 tober 1, 2011” each place it appears and inserting
9 “October 1, 2017”; and

10 (2) in subparagraph (B)(iii) and (iv), by strik-
11 ing “October 1, 2013” both places it appears and
12 inserting “October 1, 2017”.

13 (c) INCREASE IN MAXIMUM GUARANTY AMOUNT FOR
14 CERTAIN REFINANCED LOANS.—Section 3703
15 (a)(1)(A)(IV) of title 38, United States Code, is amended
16 by inserting “(5),” after “(3),”.

17 (d) DECREASE IN EQUITY REQUIREMENT FOR CER-
18 TAIN LOANS.—Section 3710(b)(8) is amended by striking
19 “90 percent” and inserting “100 percent”.

20 (e) LIMITATION ON AMOUNT OF FEES.—Section
21 3729 of title 38, United States Code, is amended by add-
22 ing at the end the following new subsection:

23 “(d) LIMITATION ON AMOUNT OF FEE.—For any
24 loan guaranteed, insured, or made in an amount that ex-
25 ceeds the Freddie Mac conforming loan limit limitation de-

1 terminated under section 305(a)(2) of the Federal Home
2 Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2))
3 for a single-family residence, as in effect on the date of
4 the enactment of the Department of Veterans Affairs
5 Loan Guaranty Cost Reduction Act of 2007, the amount
6 of the fee collected under this section may not exceed the
7 amount of such a fee collected for a loan guaranteed, in-
8 sured, or made in an amount equal to such limitation.”.

9 (f) INCREASE IN GUARANTY FOR AFFORDABLE
10 HOMES.—Section 3703(a)(1) of title 38, United States
11 Code, is amended—

12 (1) By redesignating subparagraph (C) as sub-
13 paragraph (D); and

14 (2) by inserting after subparagraph (B) the fol-
15 lowing new subparagraph (C):

16 “(C)(i) The maximum amount of guaranty entitle-
17 ment available to an eligible veteran for a loan in any
18 amount to purchase a dwelling to be owned and occupied
19 by the veteran as a home, if the dwelling is affordable
20 housing (as determined by the Secretary, in consultation
21 with the Secretary of Housing and Urban Development
22 and the heads of other appropriate agencies) and the vet-
23 eran is the first owner-occupant of the dwelling, shall be
24 the greater of—

1 “(I) the amount of guaranty entitlement avail-
2 able to the veteran under subparagraph (A); or

3 “(II) 30 percent of the loan.

4 “(ii) For the purposes of this subparagraph, the term
5 ‘eligible veteran’ means a veteran whose annual income is
6 below a maximum income amount, which shall be deter-
7 mined by the Secretary.”.

8 (g) USE OF CERTAIN FUNDS TO REDUCE CLOSING
9 COSTS FOR LOANS GUARANTEED FOR AFFORDABLE
10 HOMES.—Section 3722 of title 38, United States Code,
11 is amended—

12 (1) by redesignating subsection (e) as sub-
13 section (f);

14 (2) by inserting after subsection (d) the fol-
15 lowing new subsection (e):

16 “(e)(1) Amounts deposited into the fund under sub-
17 section (e)(2) that are not expended for the purpose of
18 guaranteeing loans under this chapter may be used to re-
19 duce the closing costs of a loan referred to in section
20 3703(a)(1)(C) or 3762 of this title made to a veteran who
21 is not indebted to the Federal Government.

22 “(2) During the fiscal years 2008 through 2017, the
23 total amount available for payments under paragraph (1)
24 may not exceed \$14,000,000.

1 “(3) For each fiscal year, the Secretary shall deter-
2 mine the amount of each payment under paragraph (1)
3 by estimating the number of veterans likely to apply to
4 receive such a payment. The Secretary shall make such
5 payments in the order in which the Secretary receives ap-
6 plications for such payments.”.

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