

110TH CONGRESS  
2D SESSION

# S. 3087

To amend title 38, United States Code, to make certain improvements in the home loan guaranty programs administered by the Secretary of Veterans Affairs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 5, 2008

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to make certain improvements in the home loan guaranty programs administered by the Secretary of Veterans Affairs, 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 “Helping Our Veterans  
5 to Keep Their Homes Act of 2008”.

1 **SEC. 2. IMPROVEMENTS IN HOME LOAN GUARANTY PRO-**  
2 **GRAMS ADMINISTERED BY SECRETARY OF**  
3 **VETERANS AFFAIRS.**

4 (a) DECREASE IN EQUITY REQUIREMENT FOR CER-  
5 TAIN LOANS.—Section 3710(b)(8) of title 38, United  
6 States Code, is amended by striking “90 percent” and in-  
7 serting “100 percent”.

8 (b) REPEAL OF LOAN FEE REQUIREMENT FOR  
9 LOANS OTHER THAN LOANS TO REFINANCE INDEBTED-  
10 NESS.—Section 3729 of title 38, United States Code, is  
11 amended—

12 (1) in subsection (a), by striking paragraph (1)  
13 and inserting the following new paragraph (1):  
14 “(1)(A) Except as provided in subsection (c), a fee  
15 shall be collected from each person obtaining a hous-  
16 ing loan described in subparagraph (B). No such  
17 loan may be guaranteed, insured, made, or assumed  
18 until the fee payable under this section has been re-  
19 mitted to the Secretary.

20 “(B) A housing loan described in this subparagraph  
21 is a loan to be used to refinance indebtedness under sec-  
22 tion 3710(a)(5), (8), (9)(B), or (11) or section  
23 3712(a)(1)(F) of this title.

24 “(C) The Secretary may not collect a fee under this  
25 section from a person obtaining a loan guaranteed, in-

1 sured, made, or assumed under this chapter other than  
2 a loan described in subparagraph (B).”; and

3 (2) by striking subsection (b) and inserting the  
4 following new subsection (b):

5 “(b) AMOUNT OF FEE.—The amount of the fee pay-  
6 able under subsection (a) shall be one percent of the total  
7 amount of the loan described in paragraph (1)(B) that is  
8 guaranteed, insured, or made under this chapter, or, in  
9 the case of a loan assumption, the unpaid principal bal-  
10 ance of the loan on the date of the transfer of the property  
11 under this chapter.”.

12 (c) EXTENSION OF DEMONSTRATION PROJECT ON  
13 ADJUSTABLE RATE MORTGAGES.—Section 3707(a) of  
14 such title is amended by striking “2008” and inserting  
15 “2018”.

16 (d) EXTENSION OF DEMONSTRATION PROJECT ON  
17 HYBRID ADJUSTABLE RATE MORTGAGES.—Section  
18 3707A(a) of such title is amended by striking “2008” and  
19 inserting “2012”.

20 (e) INCREASE IN MAXIMUM GUARANTY AMOUNT.—  
21 Section 3703(a)(1)(C) of title 38, United States Code, is  
22 amended by inserting “175 percent of” after “25 percent  
23 of”.

24 (f) REVIEW OF LOANS FOR PURCHASE OF CON-  
25 DOMINIUMS.—The Secretary of Veterans Affairs shall re-

1 view and streamline the process of guaranteeing home  
 2 loans under chapter 37 of title 38, United States Code,  
 3 for the purchase of a condominium.

4 (g) INCREASE IN MAXIMUM GUARANTY AMOUNT FOR  
 5 CERTAIN REFINANCED LOANS.—Section  
 6 3703(a)(1)(A)(i)(IV) of title 38, United States Code, is  
 7 amended by inserting “(5),” after “(3),”.

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

11 (1) by redesignating subparagraph (C) as sub-  
 12 paragraph (D); and

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

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

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

25 “(II) 30 percent of the loan.

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

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