

111TH CONGRESS
2D SESSION

S. 3377

To amend title 38, United States Code, to improve the multifamily transitional housing loan program of the Department of Veterans Affairs by requiring the Secretary of Veterans Affairs to issue loans for the construction of, rehabilitation of, or acquisition of land for multifamily transitional housing projects instead of guaranteeing loans for such purposes, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 14, 2010

Mr. BURR (for himself, Mr. AKAKA, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve the multifamily transitional housing loan program of the Department of Veterans Affairs by requiring the Secretary of Veterans Affairs to issue loans for the construction of, rehabilitation of, or acquisition of land for multifamily transitional housing projects instead of guaranteeing loans for such purposes, 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. CONVERSION OF MULTIFAMILY TRANSITIONAL**
2 **HOUSING LOAN PROGRAM TO LOAN**
3 **ISSUANCE PROGRAM.**

4 (a) **AUTHORITY TO ISSUE LOANS.—**

5 (1) **IN GENERAL.—**Section 2051 of title 38,
6 United States Code, is amended—

7 (A) in subsection (a)—

8 (i) by striking “The” and inserting
9 “(1) The”; and

10 (ii) by adding at the end the following
11 new paragraph:

12 “(2) The Secretary shall, utilizing funds available in
13 the Multifamily Transitional Housing Loan Program Re-
14 volving Fund under section 2055 of this title, issue not
15 less than five loans that meet the requirements of this sub-
16 chapter.”;

17 (B) in subsection (b)—

18 (i) in paragraph (1), by striking
19 “under subsection (a)” and inserting
20 “under subsection (a)(1)”;

21 (ii) in paragraph (2), by striking
22 “under subsection (a)” and inserting
23 “under subsection (a)(1)”;

24 (iii) in paragraph (3), by inserting “or
25 issued” after “guaranteed”;

1 (C) in subsection (c), by inserting “or
2 issued” after “guaranteed”; and

3 (D) in subsection (g), by inserting “or
4 issued” after “guaranteed”.

5 (2) AUTHORITY TO DELEGATE APPROVAL AU-
6 THORITY.—Subsection (c) of such section, as
7 amended by paragraph (1)(C) of this subsection, is
8 amended—

9 (A) by striking “A loan” and inserting
10 “(1) A loan”; and

11 (B) by adding at the end the following new
12 paragraph:

13 “(2) The Secretary may delegate approval under
14 paragraph (1) to a State or local government entity.”.

15 (3) SUNSET OF AUTHORITY TO ISSUE LOAN
16 GUARANTEES.—Such section is further amended by
17 adding at the end the following new subsection:

18 “(h) The Secretary may not guarantee under sub-
19 section (a)(1) any loan that is closed after the date of the
20 enactment of this subsection. The termination by this sub-
21 section of the authority to guarantee loans under this sub-
22 section shall not affect the validity of any loan guaranteed
23 under this subchapter before the date of the enactment
24 of this subsection and is in force on that date.”.

25 (4) CONFORMING AMENDMENTS.—

1 (A) Section 2052(d) of such title is amend-
 2 ed by inserting “or issue” after “whether to
 3 guarantee”.

4 (B) Section 2053(a) of such title is amend-
 5 ed by inserting “or issued” after “is guaran-
 6 teed”.

7 (C) Section 2054(a) of such title is amend-
 8 ed—

9 (i) in the first sentence, by inserting
 10 “or issued” after “guaranteed”; and

11 (ii) in the last sentence, by inserting
 12 “or loan” after “guarantee”.

13 (5) CLERICAL AMENDMENTS.—

14 (A) The heading of subchapter VI of chap-
 15 ter 20 of such title is amended by striking
 16 “LOAN GUARANTEE FOR”.

17 (B) The table of sections at the beginning
 18 of such chapter is amended by striking the item
 19 relating to subchapter VI and inserting the fol-
 20 lowing new item:

“SUBCHAPTER VI—MULTIFAMILY TRANSITIONAL HOUSING”.

21 (b) MULTIFAMILY TRANSITIONAL HOUSING LOAN
 22 PROGRAM REVOLVING FUND.—

23 (1) IN GENERAL.—Subchapter VI of chapter 20
 24 of such title is amended by adding at the end the
 25 following new section:

1 **“§ 2055. Multifamily Transitional Housing Loan Pro-**
2 **gram Revolving Fund**

3 “(a) ESTABLISHMENT.—There is established in the
4 Treasury of the United States a revolving fund known as
5 the ‘Department of Veterans Affairs Multifamily Transi-
6 tional Housing Loan Program Revolving Fund’ (in this
7 section referred to as the ‘Fund’).

8 “(b) ELEMENTS.—There shall be deposited in the
9 Fund the following, which shall constitute the assets of
10 the Fund:

11 “(1) Amounts paid into the Fund under any
12 provision of law or regulation established by the Sec-
13 retary imposing fees on persons or entities issued a
14 loan under this subchapter.

15 “(2) All other amounts received by the Sec-
16 retary incident to operations relating to the issuance
17 of loans under this subchapter, including—

18 “(A) collections of principal and interest
19 on loans issued by the Secretary under this sub-
20 chapter;

21 “(B) proceeds from the sale, rental, use, or
22 other disposition of property acquired under
23 this subchapter; and

24 “(C) penalties collected pursuant to this
25 subchapter.

1 “(3) Amounts appropriated or otherwise made
 2 available before the date of the enactment of this
 3 section for purposes of activities under this sub-
 4 chapter, including amounts appropriated for such
 5 purposes under title I of the Department of Vet-
 6 erans Affairs and Housing and Urban Development,
 7 and Independent Agencies Appropriations Act, 2000
 8 (Public Law 106–74; 113 Stat. 1049).

9 “(c) USE OF FUNDS.—The Fund shall be available
 10 to the Secretary, without fiscal year limitation, for all op-
 11 erations relating to the issuance of loans under this sub-
 12 chapter, consistent with the Federal Credit Reform Act
 13 of 1990 (2 U.S.C. 661 et seq.).”.

14 (2) CLERICAL AMENDMENT.—The table of sec-
 15 tions at the beginning of chapter 20 of such title is
 16 amended by inserting after the item relating to sec-
 17 tion 2054 the following new item:

“2055. Multifamily Transitional Housing Loan Program Revolving Fund.”.

18 (c) CLARIFICATION OF AUTHORITY TO DETERMINE
 19 TERMS AND CONDITIONS OF LOANS.—Subsection (a)(6)
 20 of section 2052 of such title is amended by inserting “in-
 21 cluding with respect to forbearance, deferral, and loan for-
 22 giveness,” after “determines are reasonable,”.

23 (d) CLARIFICATION OF TYPES OF SPACES THAT MAY
 24 BE INCLUDED IN COVERED MULTIFAMILY TRANSITIONAL
 25 HOUSING PROJECTS.—Subsection (c)(1) of such section

1 2052 is amended by striking “or job training programs”
2 and inserting “job training programs, other types of resi-
3 dential units, or other uses that the Secretary considers
4 necessary for the sustainability of the project”.

5 (e) LOAN DEFAULTS.—Section 2053 of such title is
6 amended by adding at the end the following new sub-
7 section:

8 “(c) The Secretary may impose such penalties or re-
9 quire such collateral as the Secretary considers nec-
10 essary—

11 “(1) to discourage default on a loan issued
12 under this subchapter; or

13 “(2) to mitigate harm to the Department from
14 default on a loan issued under this subchapter.

15 “(d) The Secretary shall administer any property
16 coming under the jurisdiction of the Secretary by reason
17 of default on a loan issued or guaranteed under this sub-
18 chapter in accordance with regulations prescribed by the
19 Secretary for that purpose. Such administration of prop-
20 erty may include selling, renting, or otherwise disposing
21 of property as the Secretary considers appropriate.”.

22 (f) PREFERENTIAL TREATMENT OF VETERANS.—

23 (1) IN GENERAL.—Subchapter VI of chapter 20
24 of such title, as amended by subsection (b), is fur-

1 ther amended by adding at the end the following
2 new section:

3 **“§ 2056. Preferential treatment of veterans**

4 “No provision of Federal or State law may prohibit
5 a multifamily transitional housing project described in sec-
6 tion 2052(b) of this title from offering preferential treat-
7 ment to veterans.”.

8 (2) CLERICAL AMENDMENT.—The table of sec-
9 tions at the beginning of such chapter, as amended
10 by subsection (b), is further amended by adding at
11 the end the following new item:

“2056. Preferential treatment of veterans.”.

12 (g) TECHNICAL CORRECTIONS.—Section 2052 of
13 such title is amended—

14 (1) in subsection (b)(2), by striking “counsel-
15 ling” both places it appears and inserting “coun-
16 seling”; and

17 (2) in subsection (d)(2), by striking “, as as-
18 sessed under section 107 of Public Law 102–405”.

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