118TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
118–599

VETERANS SCAM AND FRAUD EVASION ACT OF 2024

JULY 18, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOST, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 6452]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 6452) to amend title 38, United States Code, to establish in the Department of Veterans Affairs a Veterans Scam and Fraud Evasion Officer, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans Scam and Fraud Evasion Act of 2024” or the “VSAFE Act of 2024”.

SEC. 2. VETERANS SCAM AND FRAUD EVASION OFFICER.

(a) IN GENERAL.—Chapter 3 of title 38, United States Code, is amended by adding at the end the following new section:

“§ 325. Veterans Scam and Fraud Evasion Officer

“(a) ESTABLISHMENT.—There is in the Department a Veterans Scam and Fraud Evasion Officer, who shall be responsible for fraud and scam prevention, reporting, and incident response plans at the Department.

“(b) RESPONSIBILITIES.—The Veterans Scam and Fraud Evasion Officer shall carry out the following responsibilities:

“(1) Providing comprehensive communication from the Department to Department employees and veterans, their families, caregivers, and survivors during strategic and time-sensitive fraud and scam incidents.

“(2) Establishing consistent guidance across the enterprise for employees as well as veterans, their families, caregivers, and survivors on how to identify, report, and avoid fraud and scam attempts.

“(3) Promoting the Veteran Identity Health Theft Helpline of the Department (and any successor resource) and identifying other identity theft resources available to veterans, their families, caregivers, and survivors, including with respect to actions made by the Secretary to protect the identities of veterans and their beneficiaries.

“(4) Developing methods to monitor fraud and scam metrics within the Department to—

“(A) provide internal and external reporting;

“(B) enable advanced data analytics; and

“(C) facilitate proactive and robust fraud and scam trend identification.

“(5) Developing comprehensive training plans for Department employees fielding fraud and scam inquiries and reports.

“(6) Coordinating with the Inspector General of the Department and other Federal departments and agencies, including the Executive Office of the President, the Office of Management and Budget, the Internal Revenue Service, the Department of Justice, the Department of State, the Consumer Financial Protection Bureau, the Department of Defense, the Department of Education, the Social Security Administration, and other relevant agencies to—

“(A) create a whole-of-Government view within the Department with respect to the fraud prevention efforts at other Federal departments and agencies;

“(B) identify the proper avenues for veterans to report fraud attempts and receive assistance; and

“(C) identify opportunities for coordination with such departments and agencies.

“(7) Consulting with veterans service organizations and State, local, and tribal governments, as necessary, to improve the understanding of fraud and scam risks within the Department.

“(c) FULL-TIME EMPLOYEES.—Nothing in this section authorizes an increase in the number of full-time employees otherwise authorized for the Department.

“(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Office of Inspector General of the Department as otherwise provided in this title or in chapter 4 of title 5 (commonly referred to as the Inspector General Act of 1978).”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“325. Veterans Scam and Fraud Evasion Officer.”.

SEC. 3. MODIFICATION OF CERTAIN HOUSING LOAN FEES.

The loan fee table in section 3729(b)(2) of title 38, United States Code, is amended by striking “November 15, 2031” each place it appears and inserting “November 29, 2031”.

Purpose and Summary

H.R. 6452, the "*Veterans Scam and Fraud Evasion Act of 2024*," was introduced by Representative Elise Stefanik of New York on November 17, 2023. The bill, as amended, would establish a Veterans Scam and Fraud Evasion Officer within in the U.S. Department of Veterans Affairs (VA), who would lead the office and be tasked with coordinating the fraud and scam prevention efforts of agencies external to VA with the fraud and scam prevention efforts undertaken within VA. The Officer would be responsible for VA's fraud and scam prevention, reporting, and incident response plans. The bill, as amended, would also provide an offset for the costs associated with this requirement by extending current rates for VA home loan funding fees.

Background and Need for Legislation

Section 1: Short title

This Act may be cited as the "*Veterans Scam and Fraud Evasion Act of 2024,*" or the "*VSAFE Act of 2024.*"

Section 2. Veterans Scam and Fraud Evasion Officer

The Federal Trade Commission (FTC) receives hundreds of thousands of reports of fraud and scams from the veteran and miliary community. According to FTC data, veterans reported $350 million in fraud losses in 2023 alone.[1] Historically, VA has had several organizations dedicated to combatting veteran fraud and scams. However, Committee oversight suggests these efforts are redundant and ineffective. Currently, the office is not codified, and therefore could be removed by a future administration. Without a permanent legislative solution, veterans remain vulnerable to scams and fraudsters.

The Committee believes this section would protect veterans against fraudsters and scammers by establishing a VA Veterans Scam and Fraud Evasion Officer who would be responsible for fraud and scam prevention, reporting, and incident response plans. The Officer would also have additional responsibilities, including alerting and establishing guidance to Veterans and Department employees when scam instances occur; promoting the Veteran Identity Health Theft Hotline; developing a training curriculum for Veterans and Department employees to identify scam and frauds; and creating a whole-of-government approach with other federal agencies to combat scams and fraud.

Section 3: Modification of Certain Housing Loan Fees

Currently, veterans who take advantage of the VA home Loan Program pay a small fee that is included in their monthly mortgage payment. This section would cover the costs of the other sections of this bill by extending the current rates for VA home loan funding fees by two weeks to November 29, 2031. Extending the funding fee increases a veteran's monthly costs by about five dollars on top of the monthly mortgage. Disabled veterans do not pay

[1] Disabled American Veterans, *There's a Bill to Protect Veterans from Scams and Fraud*, (Mar. 21, 2024), https://www.dav.org/learn-more/news/2024/theres-a-bill-to-protect-veterans-from-scams-and-fraud/.

the funding fee and would not be affected by this extension of the home loan fees. The Committee believes this short-term extension of current funding fee rates is a reasonable way to cover the costs associated with the other sections of this bill.

HEARINGS

On Thursday, March 21, 2024, the Subcommittee on Oversight and Investigations held a legislative hearing on H.R. 6452 and other bills that were pending before the Subcommittee.

The following witnesses testified:

Mr. John W. Boerstler, Chief Veterans Experience Office, Office of Human Resources and Administration/Operations, Security, and Preparedness (HRA/OSP), U.S. Department of Veterans Affairs; Ms. Tracey Therit, Chief Human Capital Officer, HRA/OSP, U.S. Department of Veterans Affairs; Mr. David Perry, Chief Officer, Workforce Management and Consulting, Veterans Health Administration, U.S. Department of Veterans Affairs; Mr. Charles Worthington, Chief Technology Officer, Office of Information Technology, U.S. Department of Veterans Affairs; and Ms. Joycelyn Westbrooks, Registered Nurse, Secretary-Treasurer, American Federation of Government Employees Local 1633, U.S. Department of Veterans Affairs.

The following individuals and organizations submitted statements for the record:

American Association of Nurse Anesthesiology, National Federation of Federal Employees, Service Employees International Union, Paralyzed Veterans of America, Representative Brandon Williams (NY–22), Senior Executives Association, Representative Mike Turner (OH–10), and United Nurses Association of California/Union of Health Care Professionals.

SUBCOMMITTEE CONSIDERATION

On Wednesday, April 17, 2024, the Subcommittee on Oversight and Investigations held a markup on the legislation included in the text of this bill.

An amendment in the nature of a substitute to H.R. 6452, offered by Subcommittee Chairwoman Kiggans, was adopted by voice vote and the bill was forwarded favorably to the Full Committee on Veterans' Affairs. The amendment in the nature of a substitute would make minor changes to the original bill text to make clear that H.R. 6452 would not take scam and fraud evasion responsibilities away from the Office of Inspector General. Further, the amendment in the nature of a substitute added language that would require VA to coordinate with tribal governments in the Department's efforts to identify, report, and prevent scam and fraud attempts towards veterans living on tribal land.

A motion by Representative Bergman to report H.R. 6452, as amended, was favorably forwarded to the Full Committee on Veterans' Affairs.

COMMITTEE CONSIDERATION

On Wednesday, May 1, 2024, the Full Committee met in open markup session, a quorum being present, and ordered H.R. 6452, as amended, be reported favorably to the House of Representatives by a voice vote. During consideration of the bill, the following amendments were considered:

1. An amendment in the nature of a substitute offered by Chairman Bost that would add necessary offsets added in section three. The amendment in the nature of a substitute passed by voice vote.

2. An amendment to the amendment in the nature of a substitute offered by Ranking Member Takano to strike a provision from the base text that would institute a cap on the number of full-time employees that could be hired for the veteran scam and fraud evasion effort. An amendment to the amendment in the nature of a substitute failed to pass by voice vote.

A motion by Representative Bergman to report H.R. 6452, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 6452, as amended, reported to the House.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives of H.R. 6452, as amended, are to establish a VA Veterans Scam and Fraud Evasion Officer responsible for preventing, identifying, and reporting fraud and scams against veterans and ensuring that Department employees and veterans have the guidance and training to identify and avoid scam and fraud attempts.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 6452, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 6452, as amended, prepared by the Director of the Congressional Budget Office.

Budget Authority and Congressional Budget Office Cost Estimate

H.R. 6452, Veterans Scam and Fraud Evasion Act of 2024
As ordered reported by the House Committee on Veterans' Affairs on May 1, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	-22
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	-22
Spending Subject to Appropriation (Outlays)	*	5	12

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and $500,000.

H.R 6452 would establish a Veterans Scam and Fraud Evasion Officer within the Department of Veterans Affairs (VA). The bill also would increase the fees that VA charges borrowers for its home loan guarantees. Implementing the bill would increase spending subject to appropriation by $12 million and reduce direct spending by $22 million over the 2024–2034 period, CBO estimates.

Spending subject to appropriation: Under the bill, the Veterans Scam and Fraud Evasion Officer would be responsible for coordinating efforts to protect veterans from frauds and scams. The officer would promote resources for preventing frauds and scams, provide training to department employees, and coordinate with similar efforts of other federal agencies. Using information from VA, CBO estimates the department would require four full-time equivalent employees (the new officer and three support staff) to satisfy the bill's requirements. Compensation, benefits, and operating expenses would total $1 million in 2025, CBO estimates. After adjusting for inflation, staffing and operating the office would cost $12 million over the 2024–2034 period.

The costs of the legislation, detailed in Table 1, fall within budget function 700 (veterans benefits and services).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 6452

	By fiscal year, millions of dollars—												
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024–2029	2024–2034
	Increases in Spending Subject to Appropriation												
Estimated Authorization	*	1	1	1	1	1	1	1	1	2	2	5	12
Estimated Outlays	*	1	1	1	1	1	1	1	1	2	2	5	12
	Decreases (−) in Direct Spending												
Estimated Budget Authority	0	0	0	0	0	0	0	0	−22	0	0	0	−22
Estimated Outlays	0	0	0	0	0	0	0	0	−22	0	0	0	−22

* = between zero and $500,000.

Direct spending: H.R. 6452 would increase the fees that VA charges borrowers for its loan guarantees. VA provides loan guarantees to lenders that allow eligible borrowers to obtain better loan terms—such as lower interest rates or smaller down payments—to purchase, construct, improve, or refinance a home. VA typically pays lenders up to 25 percent of the outstanding mortgage balance if a borrower's home is foreclosed upon. Those payments, net of fees paid by borrowers and recoveries by lenders, constitute the subsidy cost for the loan guarantees.[1] That subsidy is reflected in the budget as direct spending.

Under current law, the rates for most of the fees that borrowers pay to VA for loans guaranteed after November 15, 2031, will drop from a weighted average of about 2.3 percent to about 1.2 percent of the loan amount. The bill would extend the higher rates through November 29, 2031, thereby reducing the subsidy cost of loans guaranteed during that period. Using its forecast of loan volume based on data provided by VA, CBO estimates that extending the higher rates would decrease direct spending by $22 million over the 2024–2034 period.

The CBO staff contacts for this estimate are Logan Smith (for other VA costs) and Paul B.A. Holland (for home loans). The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) is inapplicable to H.R. 6452, as amended.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of Section 5(b) of the Federal Advisory Committee Act would be created by H.R. 6452, as amended.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 6452, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 6452, as amended, establishes or reauthorizes a program of the

[1] Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses offset by any payments to the government, including origination or other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed or modified. A positive subsidy indicates that the loan results in net outlays from the Treasury; a negative subsidy indicates that the loan results in net receipts to the Treasury.

Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of P.L. 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1: Short title

This section would establish the short title of the bill as the "Veterans Scam and Fraud Evasion Act of 2024," or the "VSAFE Act of 2024."

Section 2: Veterans Scam and Evasion Officer

Section 2(a) would amend Chapter Three of Title 38 U.S.C. by adding a new section, § 325.

The new 38 U.S.C. § 325(a) would establish a Veterans Scam and Fraud Evasion Officer who is responsible for fraud and scam prevention, reporting, and incident response plans at VA.

The new 38 U.S.C. § 325(b) would designate the following responsibilities to the Veterans Scam and Fraud Evasion Officer: (1) provide comprehensive communication from VA to VA employees and veterans, their families, caregivers, and survivors during strategic and time-sensitive fraud and scam incidents; (2) establish guidance for VA employees and veterans, their families, caregivers, and survivors on how to identify, report, and avoid fraud and scam attempts; (3) promote the Veteran Identity Health Theft Helpline and identify other identity theft resources available to veterans, their families, caregivers, and survivors, including actions made by the Secretary to protect the identifies of veterans and their beneficiaries; (4) develop metrics to monitor and track scam attempts within VA to provide internal and external reporting, enable advanced data analytics, and facilitate proactive and robust fraud and scam identification; (5) develop training plans for VA employees fielding fraud and scam inquiries and reports; (6) coordinate with the VA Inspector General and other federal departments and agencies to create a whole-of-government view within VA regarding the fraud and prevention efforts at other federal departments and agencies, identify proper avenues for veterans to report fraud attempts and receive assistance, and identify opportunities for coordination with other federal departments and agencies; (7) consult with veteran service organizations and state, local, and tribal governments to improve understanding of fraud and scam risk within VA.

The new 38 U.S.C. § 325(c) would make clear nothing in § 325 authorizes an increase in the number of full-time employees otherwise authorized for VA.

Finally, the new 38 U.S.C. § 325(d) would make clear nothing in § 325 should be construed to limit the authority of VA's Inspector General as otherwise provided in Title 38 or in Chapter 4 of Title 5, U.S.C.

Section 2(b) would amend the table of sections at the beginning of Title 38 U.S.C. Chapter 3 by adding "325. Veterans Scam and Fraud Evasion Officer."

Section 3: Modification of certain housing loan fees

This section would amend 38 U.S.C. § 3729(b)(2) by striking “November 15, 2031” each place it appears and inserting “November 29, 2031.”

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART I—GENERAL PROVISIONS

* * * * * * *

CHAPTER 3—DEPARTMENT OF VETERANS AFFAIRS

Sec.

* * * * * * *

325. Veterans Scam and Fraud Evasion Officer.

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§ 325. Veterans Scam and Fraud Evasion Officer

(a) ESTABLISHMENT.—There is in the Department a Veterans Scam and Fraud Evasion Officer, who shall be responsible for fraud and scam prevention, reporting, and incident response plans at the Department.

(b) RESPONSIBILITIES.—The Veterans Scam and Fraud Evasion Officer shall carry out the following responsibilities:

(1) Providing comprehensive communication from the Department to Department employees and veterans, their families, caregivers, and survivors during strategic and time-sensitive fraud and scam incidents.

(2) Establishing consistent guidance across the enterprise for employees as well as veterans, their families, caregivers, and survivors on how to identify, report, and avoid fraud and scam attempts.

(3) Promoting the Veteran Identity Health Theft Helpline of the Department (and any successor resource) and identifying other identity theft resources available to veterans, their families, caregivers, and survivors, including with respect to actions

made by the Secretary to protect the identities of veterans and their beneficiaries.

(4) Developing methods to monitor fraud and scam metrics within the Department to—

(A) provide internal and external reporting;

(B) enable advanced data analytics; and

(C) facilitate proactive and robust fraud and scam trend identification.

(5) Developing comprehensive training plans for Department employees fielding fraud and scam inquiries and reports.

(6) Coordinating with the Inspector General of the Department and other Federal departments and agencies, including the Executive Office of the President, the Office of Management and Budget, the Internal Revenue Service, the Department of Justice, the Department of State, the Consumer Financial Protection Bureau, the Department of Defense, the Department of Education, the Social Security Administration, and other relevant agencies to—

(A) create a whole-of-Government view within the Department with respect to the fraud prevention efforts at other Federal departments and agencies;

(B) identify the proper avenues for veterans to report fraud attempts and receive assistance; and

(C) identify opportunities for coordination with such departments and agencies.

(7) Consulting with veterans service organizations and State, local, and tribal governments, as necessary, to improve the understanding of fraud and scam risks within the Department.

(c) FULL-TIME EMPLOYEES.—Nothing in this section authorizes an increase in the number of full-time employees otherwise authorized for the Department.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Office of Inspector General of the Department as otherwise provided in this title or in chapter 4 of title 5 (commonly referred to as the Inspector General Act of 1978).

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

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SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

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§ 3729. Loan fee

(a) REQUIREMENT OF FEE.—(1) Except as provided in subsection (c), a fee shall be collected from each person obtaining a housing loan guaranteed, insured, or made under this chapter, and each person assuming a loan to which section 3714 of this title applies. No such loan may be guaranteed, insured, made, or assumed until the fee payable under this section has been remitted to the Secretary.

(2) The fee may be included in the loan and paid from the proceeds thereof.

(b) DETERMINATION OF FEE.—(1) The amount of the fee shall be determined from the loan fee table in paragraph (2). The fee is expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

(2) The loan fee table referred to in paragraph (1) is as follows:

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020).	2.15	2.40	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before April 7, 2023).	2.30	2.30	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after April 7, 2023, and before November 【15】 *29*, 2031).	2.15	2.15	NA
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after November 【15】 *29*, 2031).	1.40	1.40	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020).	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before April 7, 2023).	3.60	3.60	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after April 7, 2023, and before November 【15】 *29*, 2031).	3.30	3.30	NA
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after November 【15】 *29*, 2031).	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020).	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before April 7, 2023).	1.65	1.65	NA
(C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after April 7, 2023, and before November 【15】 *29*, 2031).	1.50	1.50	NA
(C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after November 【15】 *29*, 2031).	0.75	0.75	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(D)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020).	1.25	1.50	NA
(D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before April 7, 2023).	1.40	1.40	NA
(D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after April 7, 2023, and before November **[**15**]** *29*, 2031).	1.25	1.25	NA
(D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after November **[**15**]** *29*, 2031).	0.50	0.50	NA
(E) Interest rate reduction refinancing loan.	0.50	0.50	NA
(F) Direct loan under section 3711.	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan).	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan).	1.25	1.25	NA
(I) Loan assumption under section 3714.	0.50	0.50	0.50
(J) Loan under section 3733(a).	2.25	2.25	2.25.

(3) Any reference to a section in the "Type of loan" column in the loan fee table in paragraph (2) refers to a section of this title.

(4) For the purposes of paragraph (2):

(A) The term "active duty veteran" means any veteran eligible for the benefits of this chapter other than a Reservist.

(B) The term "Reservist" means a veteran described in section 3701(b)(5)(A) of this title who is eligible under section 3702(a)(2)(E) of this title.

(C) The term "other obligor" means a person who is not a veteran, as defined in section 101 of this title or other provision of this chapter.

(D)(i) The term "initial loan" means a loan to a veteran guaranteed under section 3710 or made under section 3711 of this title if the veteran has never obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(ii) If a veteran has obtained a loan guaranteed under section 3710 or made under section 3711 of this title and the dwelling securing such loan was substantially damaged or destroyed by a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), the Secretary shall treat as an initial loan, as defined in clause (i), the next loan the Secretary guarantees or makes to such veteran under section 3710 or 3711, respectively, if—

(I) such loan is guaranteed or made before the date that is three years after the date on which the dwelling was substantially damaged or destroyed; and

(II) such loan is only for repairs or construction of the dwelling, as determined by the Secretary.

(E) The term "subsequent loan" means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title that is not an initial loan.

(F) The term "interest rate reduction refinancing loan" means a loan described in section 3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11), 3712(a)(1)(F), or 3762(h) of this title.

(G) The term "0-down" means a downpayment, if any, of less than 5 percent of the total purchase price or construction cost of the dwelling.

(H) The term "5-down" means a downpayment of at least 5 percent or more, but less than 10 percent, of the total purchase price or construction cost of the dwelling.

(I) The term "10-down" means a downpayment of 10 percent or more of the total purchase price or construction cost of the dwelling.

(c) WAIVER OF FEE.—(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who, but for the receipt of retirement pay or active service pay, would be entitled to receive compensation), from a surviving spouse of any veteran (including a person who died in the active military, naval, air, or space service) who died from a service-connected disability, or from a member of the Armed Forces who is serving on active duty and who provides, on or before the date of loan closing, evidence of having been awarded the Purple Heart.

(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

(i) as the result of a pre-discharge disability examination and rating; or

(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.

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MINORITY VIEWS

At the full Committee markup on May 1, 2024, Ranking Member Takano introduced an Amendment to the Amendment in the Nature of a Substitute to H.R. 6452, which struck a provision from the base text that instituted a cap on the number of full-time employees (FTE) that could be hired for the Veteran Scam and Fraud Evasion (VSAFE) effort. This amendment was not agreed to, however, enacting the bill as written would present significant challenges that would undermine the bill's proposal to address scams and fraud impacting veterans.

In testimony provided at the Subcommittee on Oversight and Investigation's legislative hearing on March 21, 2024, the Department of Veterans Affairs (VA) stated:

> VA does not believe the authorization for only one person to serve the function of the VSAFE office will be sufficient; instead, we recommend that, in Section 7(c), up to and no more than five (5) full-time employees be authorized to successfully manage the VSAFE operations in VA and across partnering Federal agencies. Given the number of partners involved and the need to develop strong collaboration as well as backstage intervention strategies, a significant investment of time, attention, and expertise will be required. While a single officer may have significant expertise, a team will be needed to be able to forge the deep partnerships, insights, and robust communications necessary for the success of this program.

There are a number of efforts across the federal government that the VSAFE Officer will need to coordinate with, such as the White House's Veterans Scam and Fraud Evasion Task Force. With a cap on the number of FTE that VA can provide towards this effort, the VSAFE program may be under resourced to address the growing challenges that veterans and their families may face from malicious actors. Legislation to codify this function at VA should not put unnecessary limits on the resources that may be needed to fulfill that function.

MARK TAKANO,
Ranking Member.

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