

119TH CONGRESS
1ST SESSION

H. R. 2723

To amend title 38, United States Code, to increase the maximum guaranty amount for loans made to certain veterans under the laws administered by the Secretary of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 2025

Mr. KENNEDY of New York (for himself and Ms. BROWNLEY) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to increase the maximum guaranty amount for loans made to certain veterans under the laws 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 “Veteran Affairs Home
5 Loan Guaranty Resiliency And Concurrency Enhancement
6 Act of 2025” or the “VA Home Loan GRACE Act of
7 2025”.

1 **SEC. 2. BASIC PROVISIONS RELATING TO LOAN GUARANTY**
2 **AND INSURANCE.**

3 (a) IN GENERAL.—Section 3703(a)(1) of title 38,
4 United States Code, is amended—

5 (1) in subparagraph (A)—

6 (A) by striking “Any” and inserting “Ex-
7 cept as provided in subparagraphs (C) and (D),
8 any”; and

9 (B) by striking “the lesser of” and all that
10 follows through the period at the end of clause
11 (ii) and inserting “the lesser of the maximum
12 guaranty or the maximum amount of guaranty
13 entitlement available to the veteran, as specified
14 in the table in subparagraph (B).”;

15 (2) by striking subparagraph (B) and inserting
16 the following new subparagraph (B):

17 “(B) The table referred to in subparagraph (A) is
18 as follows:

“Type of Loan	Maximum Guaranty	Maximum Amount of Guaranty Entitlement
(i)(I) Any loan of not more than \$45,000 to a veteran who is not a covered veteran	50 percent of the loan	\$36,000
(i)(II) Any loan of not more than \$45,000 to a covered veteran (closed before April 7, 2031)	50 percent of the loan	50 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(i)(III) Any loan of not more than \$45,000 to a covered veteran (closed on or after April 7, 2031)	50 percent of the loan	25 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(ii)(I) Any loan of more than \$45,000, but not more than \$56,250, to a veteran who is not a covered veteran	\$22,500	\$36,000

“Type of Loan	Maximum Guaranty	Maximum Amount of Guaranty Entitlement
(ii)(II) Any loan of more than \$45,000, but not more than \$56,250, to a covered veteran (closed before April 7, 2031)	\$22,500	50 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(ii)(III) Any loan of more than \$45,000, but not more than \$56,250, to a covered veteran (closed on or after April 7, 2031)	\$22,500	25 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(iii)(I) Except as provided in clause (iv)(I), in the case of any loan of more than \$56,250, to a veteran who is not a covered veteran	the lesser of \$36,000 or 40 percent of the loan	\$36,000
(iii)(II) Except as provided in clause (iv)(II), in the case of any loan of more than \$56,250, to a covered veteran (closed before April 7, 2031)	the lesser of \$36,000 or 40 percent of the loan	50 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(iii)(III) Except as provided in clause (iv)(III), in the case of any loan of more than \$56,250, to a covered veteran (closed on or after April 7, 2031)	the lesser of \$36,000 or 40 percent of the loan	25 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(iv)(I) Any loan of more than \$144,000 for a purpose specified in clause (1), (2), (3), (5), (6), or (8) of section 3710(a) of this title, to a veteran who is not a covered veteran	25 percent of the loan	25 percent of the loan
(iv)(II) Any loan of more than \$144,000 for a purpose specified in clause (1), (2), (3), (5), (6), or (8) of section 3710(a) of this title, to a covered veteran (closed before April 7, 2031)	25 percent of the loan	50 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored
(iv)(III) Any loan of more than \$144,000 for a purpose specified in clause (1), (2), (3), (5), (6), or (8) of section 3710(a) of this title, to a covered veteran (closed on or after April 7, 2031)	25 percent of the loan	25 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement not restored”;

- 1 (3) in subparagraph (C)—
- 2 (A) by redesignating clause (iii) as sub-
- 3 paragraph (E); and
- 4 (B) by striking subparagraph (C) and in-
- 5 serting the following:

1 “(C) Except as provided in subparagraph (D), when
2 two or more veterans use guaranty entitlement on a single
3 loan, the loan is automatically guaranteed by the United
4 States in an amount not to exceed the lesser of—

5 “(i) the maximum guaranty as specified in the
6 table in subparagraph (B); or

7 “(ii) the sum of the maximum amount of guar-
8 anty entitlement available to each veteran, as cal-
9 culated pursuant to the table in subparagraph (B).”;

10 (4) by inserting after subparagraph (C) the fol-
11 lowing new subparagraph (D):

12 “(D)(i) Except as provided in clause (ii), if two or
13 more veterans use guaranty entitlement on a single loan
14 described in subparagraph (B)(iv), the loan is automati-
15 cally guaranteed by the United States in an amount not
16 to exceed the lesser of the following:

17 “(I) In the case of a loan for which—

18 “(aa) at least one veteran is a covered vet-
19 eran, 25 percent of the Freddie Mac con-
20 forming loan limit; or

21 “(bb) no veteran is a covered veteran, 25
22 percent of the loan.

23 “(II) The sum of the maximum amount of
24 guaranty entitlement available to each veteran, as

1 calculated pursuant to the table in subparagraph
2 (B).

3 “(ii) Clause (i) shall not apply to a loan made to two
4 veterans who are married to each other if there are no
5 other obligors on the loan.”; and

6 (5) in subparagraph (E), as redesignated by
7 paragraph (3)(A)—

8 (A) by striking “subparagraph” and insert-
9 ing “paragraph”; and

10 (B) by redesignating subclauses (I) and
11 (II) as clauses (i) and (ii), respectively.

12 (b) PENALTIES FOR FALSE CERTIFICATION.—Sec-
13 tion 3704(c) of such title is amended by adding at the
14 end the following new paragraph:

15 “(3) Any veteran who knowingly and materially
16 makes a false certification under paragraph (1) or (2) of
17 this subsection shall be liable to the United States Govern-
18 ment for a civil penalty in an amount not to exceed
19 \$23,607. A penalty under this paragraph may be in addi-
20 tion to any other remedy available to the Secretary. All
21 determinations necessary to carry out this paragraph shall
22 be made by the Secretary.”.

23 (c) LOAN FEES.—The loan fee table in section
24 3729(b)(2) of such title is amended by striking “April 7,

1 2023” each place it appears and inserting “April 7,
2 2031”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this Act shall take effect on the date that is 180 days
5 after the date of the enactment of this Act.

