

112TH CONGRESS
2D SESSION

S. 3348

To amend title 38, United States Code, to improve the multifamily transitional housing loan program of the Department of Veterans Affairs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2012

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, 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. AUTHORITY FOR PAYMENT BY SECRETARY OF**
2 **VETERANS AFFAIRS OF GUARANTEES FOR**
3 **LOANS GUARANTEED BY SECRETARY FOR**
4 **MULTIFAMILY TRANSITIONAL HOUSING**
5 **PROJECTS.**

6 Section 2053 of title 38, United States Code, is
7 amended by striking subsection (a) and inserting the fol-
8 lowing new subsection (a):

9 “(a)(1) Notwithstanding any other provision of law,
10 the Secretary may, for any loan guaranteed under this
11 subchapter, pay the guarantee, in part or in full, if the
12 loan is not in default. Such guarantee payment may in-
13 clude amounts necessary to extinguish the loan and pay
14 all prepayment premiums and transaction costs.

15 “(2) The Secretary may forgive, waive, release, or
16 discharge a borrower’s liability to the Secretary with re-
17 spect to a loan or a guarantee for the loan for any loss
18 resulting from a payment made under paragraph (1).

19 “(3) The amount resulting from a decision of the Sec-
20 retary to forgive, waive, release, or discharge any repay-
21 ment obligation owed by the borrower to the Secretary
22 with respect to a loan guaranteed by the Secretary under
23 this subchapter for a multifamily transitional housing
24 project—

25 “(A) shall not be included in the borrower’s
26 gross income;

1 “(B) shall be treated as an amount not derived
2 from a Federal grant for purposes of subsection
3 (d)(5)(A) of section 42 of the Internal Revenue Code
4 of 1986; and

5 “(C) shall not otherwise reduce the borrower’s
6 depreciable basis or eligible basis (for purposes of
7 such section 42) of such housing project.”.

○