

VETERANS ECONOMIC OPPORTUNITY ACT OF 2013

SEPTEMBER 11, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 2481]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2481) to amend title 38, United States Code, to codify and improve the election requirements for the receipt of educational assistance under the Post-9/11 Educational Assistance program of the Department of Veterans Affairs, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

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AMENDMENT

The amendments are as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Veterans Economic Opportunity Act of 2013”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to title 38, United States Code.
- Sec. 3. Scoring of budgetary effects.
- Sec. 4. Establishment of Veterans Economic Opportunity Administration of Department of Veterans Affairs.
- Sec. 5. Under Secretary for Veterans Economic Opportunity.
- Sec. 6. Five-year extension of homeless veterans reintegration programs.
- Sec. 7. Entitlement of children of certain deceased veterans to educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs.
- Sec. 8. Recodification and improvement of election process for Post-9/11 Educational Assistance Program.
- Sec. 9. Centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions.
- Sec. 10. Extension of loan guaranty fee for certain subsequent loans.
- Sec. 11. Mortgage protection for members of the Armed Forces, surviving spouses, and certain veterans.
- Sec. 12. Treatment of relocation for active duty for purposes of mortgage refinancing.
- Sec. 13. Requirements for lending institutions that are creditors for obligations and liabilities covered by the Servicemembers Civil Relief Act.
- Sec. 14. Protection of child custody arrangements for parents who are members of the Armed Forces.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to , or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38 , United States Code.

SEC. 3. SCORING OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 4. ESTABLISHMENT OF VETERANS ECONOMIC OPPORTUNITY ADMINISTRATION OF DEPARTMENT OF VETERANS AFFAIRS.

(a) **ECONOMIC OPPORTUNITY ADMINISTRATION.**—

(1) **IN GENERAL.**—Part V is amended by adding at the end the following new chapter:

**“CHAPTER 80—VETERANS ECONOMIC OPPORTUNITY
ADMINISTRATION**

“8001. Organization of Administration.

“8002. Functions of Administration.

“§ 8001. Organization of Administration

“(a) **VETERANS ECONOMIC OPPORTUNITY ADMINISTRATION.**—There is in the Department of Veterans Affairs a Veterans Economic Opportunity Administration. The primary function of the Veterans Economic Opportunity Administration is the administration of the programs of the Department which provide assistance related to economic opportunity to veterans and their dependents and survivors.

“(b) **UNDER SECRETARY FOR ECONOMIC OPPORTUNITY.**—The Veterans Economic Opportunity Administration is under the Under Secretary for Veterans Economic Opportunity, who is directly responsible to the Secretary for the operations of the Administration.

“§ 8002. Functions of Administration

“The Veterans Economic Opportunity Administration is responsible for the administration of the following programs of the Department:

“(1) Vocational rehabilitation and employment programs.

“(2) Educational assistance programs.

“(3) Veterans’ housing loan and related programs.

“(4) The veterans small business program under section 8127 of this title.”.

(2) **CLERICAL AMENDMENTS.**—The tables of chapters at the beginning of title 38, United States Code, and of part V of title 38, United States Code, are each

amended by inserting after the item relating to chapter 79 the following new item:

“80. Veterans Economic Opportunity Administration 8001”.

(b) EFFECTIVE DATE.—Chapter 80 of title 38, United States Code, as added by subsection (a) shall take effect on October 1, 2014.

SEC. 5. UNDER SECRETARY FOR VETERANS ECONOMIC OPPORTUNITY.

(a) UNDER SECRETARY.—

(1) IN GENERAL.—Chapter 3 is amended by inserting after section 306 the following new section:

“§ 306A. Under Secretary for Veterans Economic Opportunity

“(a) UNDER SECRETARY.—There is in the Department an Under Secretary for Veterans Economic Opportunity, who is appointed by the President, by and with the advice and consent of the Senate. The Under Secretary for Veterans Economic Opportunity shall be appointed without regard to political affiliation or activity and solely on the basis of demonstrated ability in—

“(1) information technology; and

“(2) the administration of programs within the Veterans Economic Opportunity Administration or programs of similar content and scope.

“(b) RESPONSIBILITIES.—The Under Secretary for Veterans Economic Opportunity is the head of, and is directly responsible to the Secretary for the operations of, the Veterans Economic Opportunity Administration.

“(c) VACANCIES.—(1) Whenever a vacancy in the position of Under Secretary for Veterans Economic Opportunity occurs or is anticipated, the Secretary shall establish a commission to recommend individuals to the President for appointment to the position.

“(2) A commission established under this subsection shall be composed of the following members appointed by the Secretary:

“(A) Three persons representing education and training, vocational rehabilitation, employment, real estate, mortgage finance and related industries, and survivor benefits activities affected by the Veterans Economic Opportunity Administration.

“(B) Two persons representing veterans served by the Veterans Economic Opportunity Administration.

“(C) Two persons who have experience in the management of private sector benefits programs of similar content and scope to the economic opportunity programs of the Department.

“(D) The Deputy Secretary of Veterans Affairs.

“(E) The chairman of the Veterans’ Advisory Committee on Education formed under section 3692 of this title.

“(F) One person who has held the position of Under Secretary for Veterans Economic Opportunity, if the Secretary determines that it is desirable for such person to be a member of the commission.

“(3) A commission established under this subsection shall recommend at least three individuals for appointment to the position of Under Secretary for Veterans Economic Opportunity. The commission shall submit all recommendations to the Secretary. The Secretary shall forward the recommendations to the President and the Committees on Veterans’ Affairs of the Senate and House of Representatives with any comments the Secretary considers appropriate. Thereafter, the President may request the commission to recommend additional individuals for appointment.

“(4) The Assistant Secretary or Deputy Assistant Secretary of Veterans Affairs who performs personnel management and labor relations functions shall serve as the executive secretary of a commission established under this subsection.

“(d) QUALIFICATIONS OF RECOMMENDED INDIVIDUALS.—Each individual recommended to the President by the commission for appointment to the position of Under Secretary for Veterans Economic Opportunity shall be an individual who has held a senior level position in the private sector with responsibilities relating to at least one of the following:

“(1) Education policy.

“(2) Vocational rehabilitation.

“(3) Employment.

“(4) Home loan finance.

“(5) Small business development.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 306 the following new item:

“306A. Under Secretary for Veterans Economic Opportunity.”.

(b) CONFORMING AMENDMENTS.—Title 38, United States Code, is further amended—

(1) in section 306(c)(2), by striking subparagraphs (A) and (E) and redesignating subparagraphs (B), (C), (D), and (F), as subparagraphs (A) through (D), respectively;

(2) in section 317(d), by inserting after “Under Secretary for Benefits,” the following: “the Under Secretary for Veterans Economic Opportunity,”;

(3) in section 318(d)(2), by inserting after “Under Secretary for Benefits,” the following: “the Under Secretary for Veterans Economic Opportunity,”;

(4) in section 516(e)(2)(C), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity”;

(5) in section 541(a)(2)(B), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity”;

(6) in section 542(a)(2)(B)(iii), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity”;

(7) in section 544(a)(2)(B)(vi), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity”;

(8) in section 709(c)(2)(A), by inserting after “Under Secretary for Benefits,” the following: “the Under Secretary for Veterans Economic Opportunity.”;

(9) in section 7701(a), by inserting after “assistance” the following: “, other than assistance related to economic opportunity,”; and

(10) in section 7703, by striking paragraphs (2) and (3) and redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(c) FULL-TIME EMPLOYEES.—For fiscal years 2014 and 2015, the aggregate number of full-time equivalent employees authorized for the Veterans Benefit Administration and the Veterans Economic Opportunity Administration, as established under chapter 80 of title 38, United States Code, as added by section 2, may not exceed 20,851.

(d) EFFECTIVE DATE.—Section 306A of title 38, United States Code, as added by subsection (a), and the amendments made by this section, shall take effect on October 1, 2014.

SEC. 6. FIVE-YEAR EXTENSION OF HOMELESS VETERANS REINTEGRATION PROGRAMS.

Section 2021(e)(F) of title 38, United States Code, is amended by striking “2013” and inserting “2018”.

SEC. 7. ENTITLEMENT OF CHILDREN OF CERTAIN DECEASED VETERANS TO EDUCATIONAL ASSISTANCE UNDER THE POST-9/11 EDUCATIONAL ASSISTANCE PROGRAM OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—Section 3311(b)(9) is amended—

(1) by striking “2001, dies in line of duty while serving on active duty as a member of the Armed Forces.” and inserting “2001—”; and

(2) by adding at the end the following new subparagraphs:

“(A) dies in line of duty while serving on active duty as a member of the Armed Forces; or

“(B) is awarded the Purple Heart for an injury and dies as a result of that injury during the 31-day period beginning on the date of the person’s discharge or release from active duty service in the Armed Forces.”.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to a person who dies on or after September 11, 2001.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2014, and apply to payments of educational assistance for programs of education pursued after that date.

SEC. 8. RECODIFICATION AND IMPROVEMENT OF ELECTION PROCESS FOR POST-9/11 EDUCATIONAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Subchapter III of chapter 33 is amended by adding at the end the following new section:

“§ 3326. Election to receive educational assistance

“(a) INDIVIDUALS ELIGIBLE TO ELECT PARTICIPATION IN POST-9/11 EDUCATIONAL ASSISTANCE.—An individual may elect to receive educational assistance under this chapter if such individual—

“(1) as of August 1, 2009—

“(A) is entitled to basic educational assistance under chapter 30 of the title and has used, but retains unused, entitlement under that chapter;

“(B) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10 and has used, but retains unused, entitlement under the applicable chapter;

“(C) is entitled to basic educational assistance under chapter 30 of this title but has not used any entitlement under that chapter;

“(D) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10 but has not used any entitlement under such chapter;

“(E) is a member of the Armed Forces who is eligible for receipt of basic educational assistance under chapter 30 this title and is making contributions toward such assistance under section 3011(b) or 3012(c) of this title; or

“(F) is a member of the Armed Forces who is not entitled to basic educational assistance under chapter 30 of this title by reason of an election under section 3011(c)(1) or 3012(d)(1) of this title; and

“(2) as of the date of the individual’s election under this paragraph, meets the requirements for entitlement to educational assistance under this chapter.

“(b) CESSATION OF CONTRIBUTIONS TOWARD GI BILL.—Effective as of the first month beginning on or after the date of an election under subsection (a) of an individual described by paragraph (1)(E) of that subsection, the obligation of the individual to make contributions under section 3011(b) or 3012(c) of this title, as applicable, shall cease, and the requirements of such section shall be deemed to be no longer applicable to the individual.

“(c) REVOCATION OF REMAINING TRANSFERRED ENTITLEMENT.—

“(1) ELECTION TO REVOKE.—If, on the date an individual described in paragraph (1)(A) or (1)(C) of subsection (a) makes an election under that subsection, a transfer of the entitlement of the individual to basic educational assistance under section 3020 of this title is in effect and a number of months of the entitlement so transferred remain unutilized, the individual may elect to revoke all or a portion of the entitlement so transferred that remains unutilized.

“(2) AVAILABILITY OF REVOKED ENTITLEMENT.—Any entitlement revoked by an individual under this paragraph shall no longer be available to the dependent to whom transferred, but shall be available to the individual instead for educational assistance under chapter 33 of this title in accordance with the provisions of this section.

“(3) AVAILABILITY OF UNREVOKED ENTITLEMENT.—Any entitlement described in paragraph (1) that is not revoked by an individual in accordance with that paragraph shall remain available to the dependent or dependents concerned in accordance with the current transfer of such entitlement under section 3020 of this title.

“(d) POST-9/11 EDUCATIONAL ASSISTANCE.—

“(1) IN GENERAL.—Subject to paragraph (2) and except as provided in subsection (e), an individual making an election under subsection (a) shall be entitled to educational assistance under this chapter in accordance with the provisions of this chapter, instead of basic educational assistance under chapter 30 this title, or educational assistance under chapter 107, 1606, or 1607 of title 10, as applicable.

“(2) LIMITATION ON ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual making an election under subsection (a) who is described by paragraph (1)(A) of that subsection, the number of months of entitlement of the individual to educational assistance under this chapter 33 shall be the number of months equal to—

“(A) the number of months of unused entitlement of the individual under chapter 30 of this title, as of the date of the election, plus

“(B) the number of months, if any, of entitlement revoked by the individual under subsection (c)(1).

“(e) CONTINUING ENTITLEMENT TO EDUCATIONAL ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE PROGRAM.—

“(1) IN GENERAL.—In the event educational assistance to which an individual making an election under subsection (a) would be entitled under chapter 30 of this title, or chapter 107, 1606, or 1607 of title 10, as applicable, is not authorized to be available to the individual under the provisions of this chapter the individual shall remain entitled to such educational assistance in accordance with the provisions of the applicable chapter.

“(2) CHARGE FOR USE OF ENTITLEMENT.—The utilization by an individual of entitlement under paragraph (1) shall be chargeable against the entitlement of the individual to educational assistance under this chapter at the rate of one month of entitlement under this chapter for each month of entitlement utilized by the individual under paragraph (1) (as determined as if such entitlement

were utilized under the provisions of chapter 30 of this title, or chapter 107, 1606, or 1607 of title 10, as applicable).

“(f) ADDITIONAL POST-9/11 ASSISTANCE FOR MEMBERS HAVING MADE CONTRIBUTIONS TOWARD GI BILL.—

“(1) ADDITIONAL ASSISTANCE.—In the case of an individual making an election under subsection (a) who is described by subparagraph (A), (C), or (E) of paragraph (1) of that subsection, the amount of educational assistance payable to the individual under this chapter 33 as a monthly stipend payable under paragraph (1)(B) of section 3313(c) of this title, or under paragraphs (2) through (7) of that section (as applicable), shall be the amount otherwise payable as a monthly stipend under the applicable paragraph increased by the amount equal to—

“(A) the total amount of contributions toward basic educational assistance made by the individual under section 3011(b) or 3012(c) of this title, as of the date of the election, multiplied by

“(B) the fraction—

“(i) the numerator of which is—

“(I) the number of months of entitlement to basic educational assistance under chapter 30 of this title remaining to the individual at the time of the election; plus

“(II) the number of months, if any, of entitlement under such chapter 30 revoked by the individual under subsection (c)(1); and

“(ii) the denominator of which is 36 months.

“(2) MONTHS OF REMAINING ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual covered by paragraph (1) who is described by subsection (a)(1)(E), the number of months of entitlement to basic educational assistance remaining to the individual for purposes of paragraph (1)(B)(i)(II) shall be 36 months.

“(3) TIMING OF PAYMENT.—The amount payable with respect to an individual under paragraph (1) shall be paid to the individual together with the last payment of the monthly stipend payable to the individual under paragraph (1)(B) of section 3313(c) of this title, or under subsections (b) through (g) of that section (as applicable), before the exhaustion of the individual’s entitlement to educational assistance under this chapter.

“(g) CONTINUING ENTITLEMENT TO ADDITIONAL ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND ADDITIONAL SERVICE.—An individual making an election under subsection (a)(1) who, at the time of the election, is entitled to increased educational assistance under section 3015(d) of this title, or section 16131(i) of title 10, or supplemental educational assistance under subchapter III of chapter 30 of this title, shall remain entitled to such increased educational assistance or supplemental educational assistance in the utilization of entitlement to educational assistance under this chapter, in an amount equal to the quarter, semester, or term, as applicable, equivalent of the monthly amount of such increased educational assistance or supplemental educational assistance payable with respect to the individual at the time of the election.

“(h) ALTERNATIVE ELECTION BY SECRETARY.—

“(1) IN GENERAL.—In the case of an individual who, on or after October 1, 2014, submits to the Secretary an election under this section that the Secretary determines is clearly against the interests of the individual, the Secretary may make an alternative election on behalf of the individual that the Secretary determines is in the best interests of the individual.

“(2) NOTICE.—If the Secretary makes an election on behalf of an individual under this subsection, the Secretary shall notify the individual by not later than seven days after making such election and shall provide the individual with a 30-day period, beginning on the date of the individual’s receipt of such notice, during which the individual may modify or revoke the election made by the Secretary on the individual’s behalf. The Secretary shall include, as part of such notice, a clear statement of why the alternative election made by the Secretary is in the best interests of the individual as compared to the election submitted by the individual. The Secretary shall provide the notice required under this paragraph by electronic means whenever possible.

“(i) IRREVOCABILITY OF ELECTIONS.—An election under subsection (a) or (c)(1) is irrevocable.”.

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

“3326. Election to receive educational assistance.”.

(c) **CONFORMING REPEAL.**—Subsection (c) of section 5003 of the Post-9/11 Veterans Educational Assistance Act of 2008 (Public Law 110–252; 38 U.S.C. 3301 note) is hereby repealed.

SEC. 9. CENTRALIZED REPORTING OF VETERAN ENROLLMENT BY CERTAIN GROUPS, DISTRICTS, AND CONSORTIUMS OF EDUCATIONAL INSTITUTIONS.

(a) **IN GENERAL.**—Section 3684(a) is amended—

(1) in paragraph (1), by inserting “32, 33,” after “31,”; and

(2) by adding at the end the following new paragraph:

“(4) For purposes of this subsection, the term ‘educational institution’ may include a group, district, or consortium of separately accredited educational institutions located in the same State that are organized in a manner that facilitates the centralized reporting of the enrollments in such group, district, or consortium of institutions.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply with respect to reports submitted on or after the date of the enactment of this Act.

SEC. 10. EXTENSION OF LOAN GUARANTY FEE FOR CERTAIN SUBSEQUENT LOANS.

(a) **EXTENSION.**—Section 3729(b)(2)(B) is amended—

(1) in clause (i), by striking “October 1, 2017” and inserting “October 1, 2018”; and

(2) in clause (ii), by striking “October 1, 2017” and inserting “October 1, 2018”.

SEC. 11. MORTGAGE PROTECTION FOR MEMBERS OF THE ARMED FORCES, SURVIVING SPOUSES, AND CERTAIN VETERANS.

(a) **MEMBERS OF THE ARMED FORCES, SURVIVING SPOUSES, AND CERTAIN DISABLED VETERANS.**—

(1) **IN GENERAL.**—Title III of the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) is amended by inserting after section 303 the following new section:

“SEC. 303A. MORTGAGES AND TRUST DEEDS OF CERTAIN SERVICEMEMBERS, SURVIVING SPOUSES, AND DISABLED VETERANS.

“(a) **MORTGAGE AS SECURITY.**—This section applies only to an obligation on real or personal property owned by a covered individual that—

“(1) originated at any time and for which the covered individual is still obligated; and

“(2) is secured by a mortgage, trust deed, or other security in the nature of a mortgage.

“(b) **STAY OF PROCEEDINGS.**—

“(1) **IN GENERAL.**—In accordance with subsection (d)(1), in a judicial action pending or in a nonjudicial action commenced during a covered time period to enforce an obligation described in subsection (a), a court—

“(A) may, after a hearing and on its own motion, stay the proceedings until the end of the covered time period; and

“(B) shall, upon application by a covered individual, stay the proceedings until the end of the covered time period.

“(2) **OBLIGATION TO STOP PROCEEDINGS.**—Upon receipt of notice provided under subsection (d)(1), a mortgagee, trustee, or other creditor seeking to foreclose on real property secured by an obligation covered by this section using any judicial or nonjudicial proceedings shall immediately stop any such proceeding until the end of the covered time period.

“(c) **SALE OR FORECLOSURE.**—A sale, judicial or nonjudicial foreclosure, or seizure of property for a breach of an obligation described in subsection (a) that is not stayed under subsection (b) shall not be valid during a covered time period except—

“(1) upon a court order granted before such sale, judicial or nonjudicial foreclosure, or seizure with a return made and approved by the court; or

“(2) if made pursuant to an agreement as provided in section 107.

“(d) **NOTICE REQUIRED.**—

“(1) **IN GENERAL.**—To be covered under this section, a covered individual shall provide to the mortgagee, trustee, or other creditor written notice that such individual is so covered.

“(2) **MANNER.**—Written notice under paragraph (1) may be provided electronically.

“(3) **TIME.**—Notice provided under paragraph (1) shall be provided during the covered time period.

“(4) **CONTENTS.**—With respect to a servicemember described in subsection (g)(1)(A), notice shall include—

“(A) a copy of the servicemember’s official military orders, or any notification, certification, or verification from a servicemember’s commanding offi-

cer that provides evidence of servicemember's eligibility for special pay as described in subsection (g)(1)(A); or

“(B) an official notice using a form designed under paragraph (5).

“(5) OFFICIAL FORMS.—

“(A) IN GENERAL.—The Secretary of Defense shall design and distribute an official Department of Defense form that can be used by an individual to give notice under paragraph (1).

“(B) USE OF OFFICIAL FORM NOT REQUIRED.—Failure by any individual to use a form designed or distributed under subparagraph (A) to provide notice shall not make such provision of notice invalid.

“(e) AGGREGATE DURATION.—The aggregate duration for which a covered individual (except a servicemember described in subsection (g)(1)(A)) may be covered under this section is one year.

“(f) MISDEMEANOR.—A person who knowingly makes or causes to be made a sale, foreclosure, or seizure of property that is prohibited by subsection (c), or who knowingly attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(g) DEFINITIONS.—In this section:

“(1) COVERED INDIVIDUAL.—The term ‘covered individual’ means the following individuals:

“(A) A servicemember who is or was eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code, during a period of military service.

“(B) A servicemember placed on convalescent status, including a servicemember transferred to the temporary disability retired list under section 1202 or 1205 of title 10, United States Code.

“(C) A veteran who was medically discharged and retired under chapter 61 of title 10, United States Code, except for a veteran described in section 1207 of such title.

“(D) A surviving spouse (as defined in section 101(3) of title 38, United States Code, and in accordance with section 103 of such title) of a servicemember who died while in military service if such spouse is the successor in interest to property covered under subsection (a).

“(2) COVERED TIME PERIOD.—The term ‘covered time period’ means the following time periods:

“(A) With respect to a servicemember who is or was eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code, during a period of military service, during the period beginning on the first day on which the servicemember is or was eligible for such special pay during such period of military service and ending on the date that is one year after the last day of such period of military service.

“(B) With respect to a servicemember described in paragraph (1)(B), during the one-year period beginning on the date on which the servicemember is placed on convalescent status or transferred to the temporary disability retired list under section 1202 or 1205 of title 10, United States Code.

“(C) With respect to a veteran described in paragraph (1)(C), during the one-year period beginning on the date of the retirement of such veteran.

“(D) With respect to a surviving spouse of a servicemember as described in paragraph (1)(D), during the one-year period beginning on the date on which the spouse receives notice of the death of the servicemember.”

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 303 the following new item:

“Sec. 303A. Mortgages and trust deeds of certain servicemembers, surviving spouses, and disabled veterans.”

(3) CONFORMING AMENDMENT.—Section 107 of the Servicemembers Civil Relief Act (50 U.S.C. App. 517) is amended by adding at the end the following: “(e) OTHER INDIVIDUALS.—For purposes of this section, the term ‘servicemember’ includes any covered individual under section 303A.”

(b) INCREASED CIVIL PENALTIES FOR MORTGAGE VIOLATIONS.—Paragraph (3) of section 801(b) of the Servicemembers Civil Relief Act (50 U.S.C. App. 597(b)(3)) is amended to read as follows:

“(3) to vindicate the public interest, assess a civil penalty—

“(A) with respect to a violation of section 207, 303, or 303A regarding real property—

“(i) in an amount not exceeding \$110,000 for a first violation; and

“(ii) in an amount not exceeding \$220,000 for any subsequent violation; and

“(B) with respect to any other violation of this Act—

“(i) in an amount not exceeding \$55,000 for a first violation; and
 “(ii) in an amount not exceeding \$110,000 for any subsequent violation.”.

(c) CREDIT DISCRIMINATION.—Section 108 of such Act (50 U.S.C. App. 518) is amended—

(1) by striking “Application by” and inserting “(a) APPLICATION OR RECEIPT.—Application by”; and

(2) by adding at the end the following new subsection:

“(b) ELIGIBILITY.—In addition to the protections under subsection (a), an individual who is entitled to any right or protection provided under this Act may not be denied or refused credit or be subject to any other action described under paragraphs (1) through (6) of subsection (a) solely by reason of such entitlement.”.

(d) EFFECTIVE DATE.—Section 303A of the Servicemembers Civil Relief Act, as added by subsection (a), and the amendments made by this section, shall take effect on October 1, 2014.

SEC. 12. TREATMENT OF RELOCATION FOR ACTIVE DUTY FOR PURPOSES OF MORTGAGE REFINANCING.

(a) IN GENERAL.—Title III of the Servicemembers Civil Relief Act (50 U.S.C. App. 531 et seq.) is amended by inserting after section 303A, as added by section 11(a)(1), the following new section:

“SEC. 303B. TREATMENT OF RELOCATION FOR ACTIVE DUTY FOR PURPOSES OF MORTGAGE REFINANCING.

“(a) TREATMENT OF ABSENCE FROM RESIDENCE DUE TO ACTIVE DUTY.—

“(1) IN GENERAL.—Subject to paragraph (2), if, at any time that a servicemember who is the mortgagor under an existing mortgage does not reside in the residence that secures the existing mortgage because of relocation described in subsection (c)(1)(B), such servicemember inquires about or applies for a covered refinancing mortgage, such servicemember shall be, for all purposes relating to the covered refinancing mortgage, including such inquiry or application and eligibility for and compliance with any underwriting criteria and standards regarding such covered refinancing mortgage, considered to occupy the residence that secures the existing mortgage to be paid or prepaid by such covered refinancing mortgage as the principal residence of the servicemember during the period of any such relocation.

“(2) LIMITATION.—Paragraph (1) shall not apply with respect to a servicemember at any time if, during the five-year period preceding such time, the servicemember entered into a covered refinancing mortgage pursuant to this section.

“(b) MORTGAGES ORIGINATED BEFORE PERIOD MILITARY SERVICE.—If a covered refinancing mortgage is entered into pursuant to this section with respect to an existing mortgage that originated before the period of the servicemember’s military service, such covered refinancing mortgage shall be deemed to be an obligation that originated before the period of the servicemember’s military service and for which the servicemember is still obligated for purposes of section 303(a)(1).

“(c) DEFINITIONS.—In this section:

“(1) EXISTING MORTGAGE.—The term ‘existing mortgage’ means a mortgage that is secured by a 1- to 4-family residence, including a condominium or a share in a cooperative ownership housing association, that was the principal residence of a servicemember for a period that—

“(A) had a duration of 13 consecutive months or longer; and

“(B) ended upon the relocation of the servicemember caused by the servicemember receiving military orders for a permanent change of station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 90 days that did not allow the servicemember to continue to occupy such residence as a principal residence.

“(2) COVERED REFINANCING MORTGAGE.—The term ‘covered refinancing mortgage’ means any mortgage—

“(A) that is made for the purpose of paying or prepaying, and extinguishing, the outstanding obligations under an existing mortgage or mortgages; and

“(B) that is secured by the same residence that secured such existing mortgage or mortgages.”.

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting after the item relating to section 303A the following new item:

“Sec. 303B. Treatment of relocation for active duty for purposes of mortgage refinancing.”.

(c) EFFECTIVE DATE.—Section 303B of the Servicemembers Civil Relief Act, as added by subsection (a), and the amendments made by this section, shall take effect on October 1, 2014.

SEC. 13. REQUIREMENTS FOR LENDING INSTITUTIONS THAT ARE CREDITORS FOR OBLIGATIONS AND LIABILITIES COVERED BY THE SERVICEMEMBERS CIVIL RELIEF ACT.

Section 207 of the Servicemembers Civil Relief Act (50 U.S.C. App. 527) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

“(d) LENDING INSTITUTION REQUIREMENTS.—

“(1) COMPLIANCE OFFICERS.—Each lending institution subject to the requirements of this section shall designate an employee of the institution as a compliance officer who is responsible for ensuring the institution’s compliance with this section and for distributing information to servicemembers whose obligations and liabilities are covered by this section.

“(2) TOLL-FREE TELEPHONE NUMBER.—During any fiscal year, a lending institution subject to the requirements of this section that had annual assets for the preceding fiscal year of \$10,000,000,000 or more shall maintain a toll-free telephone number and shall make such telephone number available on the primary Internet website of the institution.”.

SECTION 14. PROTECTION OF CHILD CUSTODY ARRANGEMENTS FOR PARENTS WHO ARE MEMBERS OF THE ARMED FORCES.

(a) CHILD CUSTODY PROTECTION.—Title II of the Servicemembers Civil Relief Act (50 U.S.C. App. 521 et seq.) is amended by adding at the end the following new section:

“SEC. 208. CHILD CUSTODY PROTECTION.

“(a) RESTRICTION ON TEMPORARY CUSTODY ORDER.—If a court renders a temporary order for custodial responsibility for a child based solely on a deployment or anticipated deployment of a parent who is a servicemember, then the court shall require that, upon the return of the servicemember from deployment, the custody order that was in effect immediately preceding the temporary order shall be reinstated, unless the court finds that such a reinstatement is not in the best interest of the child, except that any such finding shall be subject to subsection (b).

“(b) LIMITATION ON CONSIDERATION OF MEMBER’S DEPLOYMENT IN DETERMINATION OF CHILD’S BEST INTEREST.—If a motion or a petition is filed seeking a permanent order to modify the custody of the child of a servicemember, no court may consider the absence of the servicemember by reason of deployment, or the possibility of deployment, as the sole factor in determining the best interest of the child.

“(c) NO FEDERAL JURISDICTION OR RIGHT OF ACTION OR REMOVAL.—Nothing in this section shall create a Federal right of action or otherwise give rise to Federal jurisdiction or create a right of removal.

“(d) PREEMPTION.—In any case where State law applicable to a child custody proceeding involving a temporary order as contemplated in this section provides a higher standard of protection to the rights of the parent who is a deploying servicemember than the rights provided under this section with respect to such temporary order, the appropriate court shall apply the higher State standard.

“(e) DEPLOYMENT DEFINED.—In this section, the term ‘deployment’ means the movement or mobilization of a servicemember to a location for a period of longer than 60 days and not longer than 540 days pursuant to temporary or permanent official orders—

“(1) that are designated as unaccompanied;

“(2) for which dependent travel is not authorized; or

“(3) that otherwise do not permit the movement of family members to that location.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by adding at the end of the items relating to title II the following new item:

“208. Child custody protection.”.

Amend the title so as to read:

A bill make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to benefits, and for other purposes.

PURPOSE

H.R. 2481, Veterans G.I. Bill Enrollment Clarification Act of 2013, was introduced on June 15, 2013, by Representative Bill Flores of Texas. H.R. 2481, as amended, the Veterans Economic Op-

portunity Act of 2013, incorporates provisions from H.R. 2327, as amended, introduced by Representative Jeff Miller of Florida; H.R. 2150, introduced by Representative Paul Cook of California; H.R. 2210, as amended, introduced by Representative C.W. Bill Young of Florida; H.R. 331, introduced by Representative Ken Calvert of California; H.R. 1842, introduced by Representative Elijah Cummings of Maryland; and H.R. 1898, introduced by Representative Michael Turner of Ohio. Additionally, the bill, as amended, includes a free-standing provision that would extend for an additional period the existing level of funding fees associated with the subsequent use home loan guarantees.

BACKGROUND AND NEED FOR LEGISLATION

Section 1—Short Title

The Veterans Economic Opportunity Act of 2013.

Section 2—References to Title 38, United States Code

This section states that all references to changes that would be made by this bill shall be to title 38, United States Code.

Section 3—Scoring of Budgetary Effects

In accordance with the Statutory Pay-As-You-Go Act of 2010, this section states that the budgetary effects of the bill shall be determined by reference to a statement submitted in the Congressional Record by the Chairman of the House Budget Committee prior to passage of the bill.

Section 4—Establishment of Veteran Economic Opportunity Administration of Department of Veterans Affairs

Chapter Three of title 38, United States Code (U.S.C.) establishes three separate Administrations at the U.S. Department of Veterans Affairs (VA). Section 305 of title 38, U.S.C. establishes the Veterans Health Administration (VHA) which manages all VA healthcare-related facilities and programs. Section 306 of title 38, U.S.C. establishes the Veterans Benefits Administration (VBA), which is responsible for the administration of all benefit programs, including compensation, pension, insurance, educational assistance and training programs, and loan guaranty programs. Section 307 of title 38, U.S.C. establishes the National Cemetery Administration (NCA) which manages over 131 National Cemeteries and other burial-related facilities and programs.

VA's disability compensation program is a highly complex program designed to provide monthly payments for disabilities incurred or aggravated in military service. With the wars in the Middle East and the aging of the veterans population in general, the inventory of compensation claims has continued to increase. In recent months, the total inventory of pending disability compensation claims has approached nearly a million and as of August, 2013 the processing times now average about 325 days to complete a claim. This has drawn considerable criticism from the veterans' community, as well as Congress and the media.

In the 109th Congress the Committee recognized the importance of focusing on programs that increase economic opportunities for veterans and lessen reliance on long-term government assistance

by creating the Subcommittee on Economic Opportunity. This Subcommittee has jurisdiction over education and training, employment, home loan, and other programs that focus on a veteran's ability to obtain good-paying jobs. The Committee believes that this increased focus and specialization has brought greater attention and needed oversight to these programs that seek to enable veterans to live as economically-productive lives as possible.

Understandably, senior VBA leaders spend considerable time and resources focusing on decreasing the inventory of disability compensation claims at the expense of time and focus needed for other benefit programs. Over time, this has led to less leadership attention to the non-compensation programs. As an example, the Administration's FY 2014 budget requested funds to support 18,827 full time equivalent employees (FTEE) for VBA. Of this number, 14,297 FTEE were requested to administer disability compensation, pension, dependency indemnity compensation (DIC), and fiduciary programs while only 4,530 FTEE were requested for other programs.

The number of FTEE for disability compensation and pension has ballooned by 5,194, or 36 percent, since FY2004, while over this same time period, the FTEE for other programs at VBA has grown by only 838 FTEE, or 18 percent. While it is important to increase staffing to attack the current backlog, the Committee believes that the focus on disability compensation and pension staff ignores the lengthy waits for benefits from the education, vocational rehabilitation, and loan guaranty programs and only undermines the potential for veterans to improve their lives through programs that increase economic opportunities.

Therefore, to ensure more effective oversight of those programs, the Committee believes that separating programs that are generally considered as leading to increased employability and economic success would be appropriate. Section 4 would, therefore, create Chapter 80 in title 38, U.S.C. to establish the Veterans Economic Opportunity Administration (VEOA) to manage the GI Bill, Home Loan Guaranty, and Vocational Rehabilitation and Employment programs. Additionally, Section 8127 of title 38, U.S.C. established a program to assist VA in meeting the statutory goals for procurement of goods and services from service disabled veteran-owned small businesses. Because small business ownership can be a significant contributor to economic success and due to the continuing difficulties VA is experiencing in administering the service disabled veteran-owned small business program, Section 4 would place the program in Section 8127 under the auspices of VEOA.

Section 5—Under Secretary for Veterans Economic Opportunity

Section 5 of the bill would amend title 38, U.S.C. by adding a new Section 306A to create the position of Under Secretary for Veterans Economic Opportunity to oversee all VEOA programs and operations. This section would complement section 4 by creating this Under Secretary position to put the new VEOA on par with VHA, NCA and VBA.

The Committee also believes that with the significant growth in VA employees it would be appropriate to staff the new VEOA, which reports to the new Under Secretary, from existing personnel resources by capping the amount of FTE at both VBA and VEOA to no more than 20,851 FTEE.

Section 6—Five Year Extension of the Homeless Veterans Reintegration Program

The Homeless Veterans Reintegration Program (HVRP) is a grant program managed by the U.S. Department of Labor's Veterans Employment and Training Service (VETS). Grants are made generally to non-profit, community-based organizations to fund efforts to qualify and place homeless veterans in jobs. Today, VETS funds over 100 grantees and served 13,735 and placed 7,824 homeless veterans during the latest reporting period. The authorization for the HVRP program is set to expire on September 30, 2013. According to the latest statistics from VETS, the entered employment rate for HVRP participants was 65 percent, a very credible figure given the difficulty often encountered when placing this population.

Section 6 would extend the authorization of \$50 million in appropriations for HVRP until September 30, 2018. The Committee believes the program's success justifies its continuation as a part of the overall effort to reduce homelessness among veterans of all ages. At the legislative hearing June 26, 2013, on this provision, the Subcommittee on Economic Opportunity received unanimous support for the extension of this program as it continues to provide homeless veterans with the job training necessary to break the cycle of homelessness.

Section 7—Entitlement of Children of Certain Deceased Veterans to Educational Assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs

Title V of Public Law 110-252 (122 Stat. 2323, 2357) established the Post-9/11 G.I. Bill which is now codified by Chapter 33 of title 38, U.S.C. Section 3011(f) of Chapter 33 established the Gunnery Sergeant John David Fry Scholarship which provides certain Chapter 33 benefits to the children of servicemembers who die on active duty. Chapter 33 benefits include tuition and fee payments (which can be limited depending on the type and cost of institution) a book stipend, and a monthly housing stipend.

Early in Operation Iraqi Freedom and Operation Enduring Freedom, the Department of Defense often discharged severely wounded servicemembers relatively quickly instead of retaining them in active duty status for an extended period of recovery as is generally the practice today. As a result, some severely wounded servicemembers died shortly after discharge. As a result of dying after discharge, their children were not eligible for the Fry Scholarship.

To rectify this inequity, the Committee believes if those who died shortly after discharge were undergoing recovery under today's extended recovery periods, they would have likely died on active duty. Therefore, the Committee believes it is reasonable to make the children of such veterans eligible for the Fry Scholarship by amending section 3311 to include the children of veterans who have received the Purple Heart and die within 31 days of discharge.

Section 8—Re-codification and Improvement of Election Process for Post-9/11 Educational Assistance Program

Section 5003(c) of the Post-9/11 Veterans Educational Assistance Act of 2008 (Public Law 110-252) delineates the circumstances under which veterans and servicemembers with remaining eligi-

bility to other VA-administered education programs can be converted to the Post-9/11 G.I. Bill. Under this section, any such conversion is irrevocable.

During a January, 2013 site visit to the Atlanta Regional Processing Office, Committee staff asked the VA staff what steps or processes could be changed to reduce processing time of Post-9/11 G.I. Bill claims. VA staff informed Committee staff that one step in the adjudication of G.I. Claims concerns veterans' irrevocable decision to convert their remaining months of eligibility for other G.I. Bill programs to the Post-9/11 G.I. Bill. They stated that many veterans make obvious errors in choosing a program to which they are not entitled or other errors which require manual processing of the claim. When this happens, VA then notifies the veteran, normally in writing, of the discrepancy and must wait for the veteran to contact VA and make the appropriate switch to their irrevocable election in order for their Post-9/11 G.I. Bill claims to be processed. VA staff believes these steps add time to processing delays and are unnecessary.

Therefore, section 8 would authorize VA to make an alternative election for the beneficiary of a different education benefit. VA would only be authorized to make such an election if they believed such an alternative election is clearly in the best interest of the veteran. VA would have to notify veterans of this alternative election within 7 days and allow the veteran to change such election within 30 days. The Committee believes this is an important step to reduce processing times for this benefit while still balancing individual choice.

Section 9—Centralized Reporting of Veteran Enrollment by Certain Groups, Districts, and Consortiums of Educational Institutions

Chapter 36 of title 38, U.S.C., describes the process by which VA approves courses of instruction at institutions of higher education and how schools certify the enrollment of veterans such approval is necessary prior to any use of VA educational assistance benefits for veterans and survivors. Currently, each school is required to submit enrollments separately even if the school is one of a number of schools sharing a common registration system.

Requiring each school to submit enrollments separately is highly inefficient for both the schools and the VA. Consolidating such processes among schools with common registration and administration can lead to a more cost-efficient process for both the schools and VA.

Section 9 would amend Section 3684(a) of title 38, U.S.C., to authorize institutions of higher learning that belong to a consortium of institutions governed by a common body with common administrative practices to submit enrollments in a consolidated fashion.

Section 10—Extension of Loan Guaranty Fee for Certain Subsequent Loans

Section 3729 of title 38, U.S.C., requires the payment of an upfront funding fee when a servicemember or veteran uses their VA loan guaranty benefit. The funding fee varies based on an individual's status, the amount of down payment brought forward, and the date of loan origination. The rates of funding fees (expressed as a

percentage of the principal) for subsequent use, that have been in effect since 2009, are set to be reduced on October 1, 2017.

This section would extend through October 1, 2018, the rates of funding fees that would otherwise be reduced on October 1, 2017 for subsequent use loans. These fees reduce the subsidy cost associated with VA's guaranty of mortgage loans, and have typically been viewed as a reasonable cost to the benefit gained by having VA guarantee a mortgage loan. Such fees can also be rolled into the principal of the loan. The Committee believes the extension of these rates will not have a negative impact on veterans' or servicemembers' ability to acquire the finances necessary for a subsequent loan after their initial VA home loan usage.

Section 11—Mortgage Protection for Members of the Armed Forces, Surviving Spouses, and Certain Veterans

The Servicemembers Civil Relief Act (SCRA) provides a wide range of financial protections to servicemembers including protection from foreclosures under certain circumstances. Current law applies only to homes purchased by the servicemember prior to entering military service and those protections apply do not apply to surviving spouses of servicemembers.

Existing mortgage related protections under SCRA fail to cover all military servicemembers during the course of deployment to a contingency operation; fail to cover medically discharged veterans due to a service-connected injury; fail to cover surviving spouses of military servicemembers; fail to provide stay of proceedings protections in non-judicial foreclosure states; lack sufficient fines as to deter future bank violations; and, they fail to protect covered individuals from discrimination in lending.

Section 11 would clarify the rights afforded to those originally protected under SCRA and the new class of protected individuals who would be protected by this section (discussed below). This change was requested during the Subcommittee on Economic Opportunity hearing conducted on June 26, 2013. The new section 303A would expand protections afforded to spouses, servicemembers serving in a contingency operation, veterans who are medically discharged, and servicemembers placed on convalescent status. This protection would apply to mortgages that were incurred before and during military service.

When a military servicemember is unable to report to duty because of a substantial illness or injury, he or she is normally placed on convalescent leave. This section would expand protections to a servicemember placed on convalescent status because of the reduction in pay they receive when placed in such status. During this time, the servicemember's pay could be reduced to as little as 50 percent of their base pay, thereby affecting their ability to make their mortgage payments. Additionally, mortgage related protections are extended to both judicial and non-judicial foreclosure states. The Committee believes that expanding SCRA coverage to all four classes of covered individuals would ensure they will be protected from a home foreclosure regardless of where their home is located or when it was purchased.

The section would also require covered individuals to provide notice to their lender of their intention to use the protection under the new section 303A of SCRA. Upon receipt of notice, the court,

mortgagee, trustee, or other creditor seeking to foreclose on the property would be mandated to stay such actions until the end of the covered time period. The four classes of covered individuals would be protected for an aggregate period of 12 months.

This section would also double existing penalties for violators of the new SCRA mortgage protections. The Committee hopes this provision will deter banks and creditors from violating the protections afforded to servicemembers under SCRA. Finally, this section would ensure that covered individuals are not denied credit for the sole reason that they are eligible for the protections under SCRA.

Section 12. Treatment of Relocation for Active Duty for purposes of Mortgage Refinancing

Under existing SCRA protections, if a servicemember is not currently living in his or her home due to transfer in response to military orders, in many cases they are not eligible to re-finance the home because it is not considered their principal/primary residence.

Section 12 would allow a servicemember who no longer occupies a home due to military orders to refinance a home originally mortgaged prior to military service. It would amend the SCRA to require a creditor to consider this home, unless refinanced during the past five years, the permanent residence of the servicemember. The Committee believes that servicemembers should not be prevented from receiving the lowest interest rate when refinancing simply because their military service prevented satisfaction of existing occupancy requirements.

Section 13. Requirements for Lending Institutions that are creditors for Obligations and liabilities covered by the Servicemembers Civil Relief Act

Section 13 would require all lending institutions with assets of \$10 billion or more to designate an SCRA Compliance officer and have a toll-free phone number published on their website. In testimony at a Full Committee hearing on SCRA mortgage related protections in February 9, 2011 witnesses cited servicemembers' inability to contact lender employees who are responsible for lenders' compliance with SCRA as well as being shuffled from employee to employee. At that same hearing and others, servicemembers have also testified about multiple requests for previously-submitted documentation of coverage under SCRA.

Servicemembers should be able to easily contact their lenders for information, specific questions, feedback, etc especially when it comes to information about protections they have earned by virtue of their military service. A toll-free number would assist them in getting the service they deserve. The Committee believes that providing an SCRA Compliance officer would also guarantee that when these servicemembers do place a call, they have someone to talk to who is familiar with their situation and protections under the law. The Compliance officer and the toll-free number would both serve to make sure that the institution is in compliance with the SCRA mortgage and foreclosure provisions.

Section 14—Protection of Child Custody Arrangement for Parents Who are Members of the Armed Forces.

As our nation's servicemembers endure deployments overseas, SCRA and the Uniformed Services Employment and Reemployment Rights Act (USERRA) protect their interests at home. Both Acts endeavor to ensure veterans and servicemembers' employment rights and civilian obligations are not affected by their commitment to the security of the United States. At its core, SCRA ensures that servicemembers have certain protections in the event that military service impedes their ability to meet certain financial and legal obligations.

With respect to one such legal obligation, the Committee is aware of the often difficult decisions facing courts regarding child custody when one or both parents may be a servicemember deployed abroad. Although the current SCRA covers everything from mortgages to cell phone contracts, it fails to provide one uniform framework for protecting servicemembers' rights under child custody actions by state courts.

Section 14 would protect these rights by amending the SCRA to require that if a court issues a temporary order for custodial responsibility for a child of a servicemember to another party because of a servicemembers' deployment, the custody order immediately preceding the temporary order shall be reinstated upon the return of the servicemember. If the court determines that such a move would not be in the best interest of a child the court could modify the pre-deployment custody order. The section would also prohibit courts from considering the absence or potential absence of a servicemember from being considered as part of the court's determination of the child's best interest. Finally, the section ensures that if higher protections than that provided for in this section exist under any state law, then the higher standard would be applied.

In previous Congresses, the Committee received anecdotal evidence of servicemembers having to make the difficult decision of choosing between their military career and the legal custody of their children because of rulings made by courts that took their military service into account when assigning custody of the child. The Committee believes that servicemembers should never have to make this choice.

In a February 15, 2011, letter to Representative Michael Turner of Ohio, then-Secretary of Defense Robert Gates provided support for legislation that is appropriately crafted, "[t]hat provides Servicemembers with a federal uniform standard of protection in cases where it is established that military service is the sole factor involved in a child custody decision involving a Service member." The Committee believes this section is appropriately crafted to fulfill this requirement.

HEARINGS

On June 26, 2013, the Subcommittee on Economic Opportunity conducted a legislative hearing on various bills introduced during the 113th Congress, including H.R. 2481, H.R. 331, H.R. 1842, H.R. 2150, H.R. 2210, and H.R. 2327. The following witnesses testified at the hearing:

The Honorable Ken Calvert; The Honorable Elijah E. Cummings; The Honorable John Delaney; The Honorable Alan Grayson; The Honorable Bill Johnson; Mr. Curtis Coy, Deputy Under Secretary of Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs, who was accompanied by Mr. John Brizzi, Deputy Assistant General Counsel, U.S. Department of Veterans Affairs; Mr. Frank C. DiGiovanni, Director, Training Readiness and Strategy, Office of the Undersecretary of Defense for Personnel and Readiness, U.S. Department of Defense; Mr. Ryan M. Gallucci, Deputy Director, National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Jeffery Steele, Assistant Director, National Legislative Commission, The American Legion; and MG Andrew "Drew" Davis, USMC (Ret.) Executive Director, The Reserve Officers Association. The following groups submitted statements for the record: The Honorable Tammy Duckworth, U.S. Department of Labor, and Vietnam Veterans of America.

SUBCOMMITTEE CONSIDERATION

On July 18, 2013, the Subcommittee on Economic Opportunity met in an open markup session, a quorum being present, and favorably forwarded to the full Committee H.R. 331, H.R. 1842, H.R. 2150, H.R. 2210, as amended, H.R. 2327, as amended, and H.R. 2481, by voice vote.

During consideration of H.R. 2210 the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Mr. Flores of Texas modified the bill to change number of days after discharge a veteran could die of a service-connected injury in order for their dependent children to qualify for the Marine Gunnery Sergeant John David Fry Scholarship under the Post 9/11 G.I. Bill.

During consideration of H.R. 2327 the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Mr. Flores of Texas that modified the original bill to make a technical change in describing the Center for Veterans Enterprise that would be moved into the new Economic Opportunity Administration.

COMMITTEE CONSIDERATION

On August 1, 2013, the Full Committee met in an open markup session, a quorum being present, and ordered H.R. 2481, as amended, reported favorably to the House of Representatives, by voice vote. During consideration of the bill, the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute by Mr. Flores of Texas which combined the original bill text with the text of H.R. 331, H.R. 1842, H.R. 1898, H.R. 2150, H.R. 2210, as amended, and H.R. 2327, as amended. Further, the amendment in the nature of a substitute added section 10 on funding fees and made adjustments to effective dates to sections 4, 5, 7, 8, 11, 12, and 13 to September 1, 2014.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list recorded votes on motions to

report legislation and amendments thereto. There were no recorded votes taken on amendments or in connection with ordering H.R. 2481, as amended, reported to the House. A motion by Ranking Member Michael H. Michaud of Maine to report H.R. 2481, as amended, favorably to the House of Representatives was agreed to by voice vote.

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 are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 2481, 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. 2481, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 2481, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

AUGUST 23, 2013.

Hon. JEFF MILLER,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2481, the Veterans Economic Opportunity Act of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Newman.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 2481—Veterans Economic Opportunity Act of 2013

Summary H.R. 2481 would decrease direct spending by increasing the fees charged to certain veterans who obtain loans guaranteed by the Department of Veterans Affairs (VA). In addition, the bill would increase direct spending by enhancing certain protections for servicemembers and veterans with home mortgages, and by expanding eligibility for education scholarships. On net, the bill would decrease direct spending by \$149 million over the 2014–2018 period and by \$120 million over the 2014–2023 period, CBO estimates. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues. (The effect on revenues would be insignificant.)

H.R. 2481 also would increase spending subject to appropriation, primarily by extending the authorization of appropriations for a program that serves homeless veterans. CBO estimates that implementing H.R. 2481 would have a discretionary cost of \$218 million over the 2014–2018 period, subject to appropriation of the necessary amounts.

The bill would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by adding and expanding protections for servicemembers under the Servicemembers Civil Relief Act (SCRA). CBO estimates that the costs to public and private entities of complying with the mandates would not exceed the thresholds established in UMRA for intergovernmental and private-sector mandates (\$75 million and \$150 million, respectively, in 2013, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 2481 is shown in Table 1. The costs of this legislation fall within budget functions 700 (veterans benefits and services), 370 (commerce and housing credit), and 750 (administration of justice).

TABLE 1—ESTIMATED BUDGETARY EFFECTS OF H.R. 2481

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN DIRECT SPENDING ^a						
Estimated Budget Authority	0	12	5	5	–171	–149
Estimated Outlays	0	12	5	5	–171	–149
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	50	65	55	55	55	282
Estimated Outlays	4	47	55	55	55	218

Note: Details may not add to totals because of rounding.

^a Enacting H.R. 2481 may also lead to an insignificant increase in revenues. In addition to the effects shown above, CBO estimates that enacting H.R. 2481 would decrease direct spending by \$120 million and increase revenues by an insignificant amount over the 2014–2023 period.

Basis of estimate: For the purposes of this estimate, CBO assumes that the legislation will be enacted near the beginning of fiscal year 2014, that the necessary amounts will be appropriated

each year, and that outlays will follow historical spending patterns for similar and existing programs.

Direct spending and revenues

H.R. 2481 would decrease direct spending by increasing a fee that VA charges for guaranteeing certain home loans. That effect would be partially offset by increases in direct spending that would arise from providing additional protections for certain military personnel and veterans with home mortgages and by expanding eligibility for educational assistance under the Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) program. The bill also would have an insignificant effect on revenues.

Loan Guarantee Fees. Under its home-loan program, VA provides lenders guarantees on mortgages made to veterans; those guarantees enable veterans to get better loan terms, such as lower interest rates or smaller down payments. The loan guarantees provide lenders a payment of up to 25 percent of the outstanding loan balances (subject to some limitations on the original loan amounts) in the event that a veteran defaults on a guaranteed loan.

TABLE 2—IMPACT OF H.R. 2481 ON DIRECT SPENDING

	By fiscal year, in millions of dollars—											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023
CHANGES IN DIRECT SPENDING												
Loan Guarantee Fees:												
Estimated Budget Authority	0	0	0	0	–177	0	0	0	0	0	–177	–177
Estimated Outlays	0	0	0	0	–177	0	0	0	0	0	–177	–177
Enhanced Mortgage Protection:												
Estimated Budget Authority	0	9	2	3	3	3	3	3	3	3	17	32
Estimated Outlays	0	9	2	3	3	3	3	3	3	3	17	32
Mortgage Refinancing Qualifications:												
Estimated Budget Authority	0	3	2	1	1	1	1	2	2	2	7	15
Estimated Outlays	0	3	2	1	1	1	1	2	2	2	7	15
Education Benefits for Surviving Children:												
Estimated Budget Authority	0	*	1	1	2	2	1	1	1	1	4	10
Estimated Outlays	0	*	1	1	2	2	1	1	1	1	4	10
Total Changes:												
Estimated Budget Authority	0	12	5	5	–171	6	5	6	6	6	–149	–120
Estimated Outlays ..	0	12	5	5	–171	6	5	6	6	6	–149	–120

Note:
* = less than 500,000.

Section 10 would increase a fee that VA charges to certain veterans for providing those guarantees. By partially offsetting the costs of subsequent defaults, those fees lower the subsidy cost of the guarantees.¹

¹Under 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, Continued

Under current law, the up-front fee for veterans who have previously used the loan-guarantee benefit is 3.30 percent of the loan amount. That fee is scheduled to decline to 1.25 percent on October 1, 2017.

Under section 10, that scheduled fee reduction would be delayed by one year, until October 1, 2018. Continuing the fee at the current level in 2018 would increase collections by VA in that year, thereby lowering the subsidy cost of the loan guarantees. Based on data from VA, CBO estimates that enacting section 10 would reduce direct spending by \$177 million in 2018.

Enhanced Mortgage Protection. Section 11 would prohibit lenders from initiating or completing foreclosure proceedings on mortgages issued to certain servicemembers and surviving spouses. Lenders could not foreclose on mortgages held by military personnel who are deployed in support of a contingency operation for the duration of that deployment and for the 12 months following deployment. The following individuals also would be protected from foreclosure for 12 months:

- Servicemembers who are convalescing;
- Personnel who are transferred to the temporary disability retired list or who are medically discharged and retired; and
- Surviving spouses of servicemembers who die from a service-connected cause while in military service in regards to property that was jointly owned.

The enhanced protections afforded by section 11 would take effect on October 1, 2014.

Some of the loans that would be affected by the enhanced foreclosure protection in section 11 are guaranteed by VA or the Federal Housing Administration (FHA). Under its home loan program, VA pays lenders up to 25 percent of the outstanding loan debt in the event that the borrower defaults. Unpaid interest can be added to the guaranteed debt, within certain limits. FHA provides a similar guarantee on mortgages it insures, compensating lenders for up to 100 percent of the loss. Unpaid interest can be added to FHA-guaranteed debt, but it accrues at a rate similar to that for federal borrowing, rather than the interest rate of the defaulted loan.

Delaying foreclosure on borrowers who default would lengthen the period during which unpaid interest accrues, increasing the indebtedness of the borrower. If the loan is eventually terminated, the claim filed by the lender would be larger by the amount of the additional interest, and the subsequent claim payment from VA or FHA would rise as a result. Those larger claim payments would raise the loan subsidy costs of both agencies.

For loans that were originated before enactment of H.R. 2481, such changes would be treated as loan modifications and the increased subsidy costs would be recorded as direct spending when the modifications became effective—that is, at the start of fiscal year 2015, the effective date of section 11, as specified in the bill. The higher subsidy costs for loans made subsequent to the effective

interest subsidies, or other expenses, offset by any payments to the government, including origination fees, 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.

date would increase mandatory costs for VA loans and discretionary costs for FHA loans in the year those loans are originated.

Based on information from the Department of Defense, CBO estimates that approximately 300,000 servicemembers, retirees, and surviving spouses would be eligible for the enhanced foreclosure protection in 2015. (The majority of those beneficiaries are personnel who are currently deployed or were deployed in the previous year.) However, some of those eligible personnel currently receive similar protection under the national mortgage settlement, an agreement regarding foreclosure practices that was signed by the five largest mortgage servicers, the Department of Justice, and state attorneys general. Under that settlement, the servicers agreed not to foreclose without a court order on property owned by servicemembers who deployed and received hostile fire or imminent danger pay, during their deployment and for nine months thereafter. That agreement expires in October 2015.

CBO estimates that about 175,000 people would be newly eligible in 2015 for the enhanced mortgage protection under the bill. After the national mortgage settlement expires and borrowers no longer benefit from the similar protections that it provides, the population of beneficiaries under section 11 would increase to 260,000 in 2016 and each year thereafter. On the basis of information from VA, CBO estimates that about 25 percent of potential beneficiaries have loans guaranteed by VA and another 5 percent have loans guaranteed by FHA. Of those loans, CBO expects that about 1.5 percent will default, for a total of about 1,100 loans annually. Under H.R. 2481, CBO estimates that the average claim payments for those defaults would increase by about \$3,800 for VA loans and by about \$3,000 for FHA loans.

On that basis, we estimate that, the increased subsidy costs for loans originated in prior years would total almost \$6 million for VA-guaranteed loans and nearly \$2 million for FHA-backed loans. In addition, higher subsidy costs for loans guaranteed by VA after the effective date would increase direct spending by about \$2 million in 2015, and by an average of \$3 million a year over the 2016–2023 period. In total, CBO estimates that enacting section 11 would increase direct spending by \$32 million over the 2014–2023 period. (Higher subsidy costs for loans guaranteed by FHA in 2015 and later years would result in an increase in discretionary spending, assuming appropriation action necessary to implement FHA's single-family program. Those costs are described in the section on discretionary spending below.)

In addition, section 11 would establish civil penalties for lenders who foreclose on property in violation of the enhanced mortgage protection that would be provided by the bill. Civil fines are recorded as revenues. CBO expects that any additional revenues would not be significant because of the relatively small number of cases likely to be affected.

Mortgage Refinancing Qualifications. Section 12 would make it easier for certain servicemembers to refinance mortgages on homes that they do not occupy. Under current law, borrowers must occupy their homes to be eligible for loan guarantees from VA on refinancing loans that allow borrowers to increase the principal amount owed (cash-out loans). Further, private-sector lenders generally charge higher interest rates for loans on homes that are not

occupied by the borrower, which discourages some of those borrowers from refinancing. Section 12 would require servicemembers to be treated as if they occupied the home when they refinance, if they left the home because of change-of-station or deployment orders. That requirement would take effect on October 1, 2014. As a result, some additional borrowers would qualify for cash-out refinancing loans that are guaranteed by VA. Others would choose to refinance loans that they would otherwise not have because they would receive lower interest rates; some of those loans also would be guaranteed by VA.

Because the subsidy costs of VA loan guarantees are paid from mandatory appropriations, guaranteeing additional loans would increase direct spending. Based on the annual number of loan guarantees that VA currently provides for servicemembers, CBO expects that over the next 10 years, VA would guarantee an additional 5,000 loans under this provision. Providing those loan guarantees would increase direct spending by \$15 million over the 2014–2023 period, CBO estimates.

Education Benefits for Surviving Children. The children of servicemembers who die in the line of duty while serving in an active-duty status are eligible for education benefits under the Fry Scholarship. Section 7 would expand eligibility for Fry Scholarships to the children of servicemembers who receive the Purple Heart for injuries sustained in combat and then die as a result of those injuries within 31 days of separating from active duty. Under current law, those children are only eligible for benefits under the Survivors' and Dependents' Education Assistance Program (DEAP).

The Fry Scholarship entitles qualifying recipients to education benefits under the Post-9/11 GI Bill. Those benefits include the payment of in-state tuition and fees for beneficiaries attending public schools, a monthly housing allowance, and a stipend to pay for books and supplies. DEAP currently provides education benefits to qualifying recipients at a maximum rate—for full-time students—of \$987 per month.

Based on information from VA and the Department of Defense, CBO estimates that, if this provision was enacted, an average of about 80 children per year would elect to receive education benefits under the Fry Scholarship rather than DEAP. Each of those children would receive, on average, about \$16,400 in Fry Scholarship benefits in 2015 and, after cost-of-living increases, that amount would increase to about \$22,700 in 2023, CBO estimates. Under DEAP, we estimate that each of those children would have received about \$5,700 in benefits in 2015 and, after cost of living increases, about \$6,800 in benefits in 2023. On net, CBO estimates the change in eligibility would increase direct spending by \$10 million over the 2014–2023 period.

Selection of Education Benefits. Section 8 would permit the Secretary to change an individual's choice of program for VA education benefits when the Secretary determines that the choice is not in the individual's best interest. If the Secretary makes an alternative selection on behalf of an applicant, the Secretary would be required to notify the individual within seven days. The applicant would then have 30 days to modify or revoke the Secretary's selection. Under current law, when a claims processor determines that an individual has not made the most advantageous choice of programs,

the processor attempts to contact the applicant to recommend a change. By allowing VA to change the individual's selection proactively, claims processing and benefit payments would be accelerated. Based on information from VA, CBO estimates that the department would change the elections of very few people. Thus, we estimate that enacting this section would increase direct spending by an insignificant amount over the 2014–2023 period.

Spending subject to appropriation

H.R. 2481 would authorize appropriations for programs that benefit homeless veterans. It also would reorganize the VA's management structure by establishing a new administration to oversee certain benefit programs. Finally, it would increase the subsidy cost of loans guaranteed by FHA. In total, CBO estimates that implementing H.R. 2481 would increase the cost of veterans' benefits that are subject to appropriation by \$218 million over the 2014–2018 period, assuming appropriation of the necessary amounts.

Homeless Veterans Reintegration Programs. Section 6 would authorize the appropriation of \$50 million each year over the 2014–2018 period for Department of Labor programs that serve homeless veterans. The department provides grants to agencies and organizations that provide job placement, training, and vocational counseling to homeless veterans. Under current law, the authorization for this program will expire at the end of fiscal year 2013. CBO estimates that implementing this section would cost \$187 million over the 2014–2018 period, assuming appropriation of the authorized amounts.

Veterans Economic Opportunity Administration. Under VA's current organizational structure, the Veterans Benefits Administration (VBA) manages the provision of the following benefits to veterans and other eligible individuals:

- Disability compensation;
- Pension, dependency and indemnity compensation, burial benefits, and fiduciary assistance programs;
- Readjustment benefits such as education funding, employment assistance, and vocational rehabilitation;
- Home-loans guarantees;
- Assistance to small businesses owned by veterans; and
- Life insurance.

Sections 4 and 5 would establish a Veterans Economic Opportunity Administration (VEOA) to oversee readjustment benefit programs, the home loan program, and small business programs. VBA and VEOA each would be led by an undersecretary responsible to the Secretary of Veterans Affairs. Section 5 would limit the total number of full-time equivalent positions serving in VBA and VEOA to the current workforce of 20,851 in fiscal years 2014 and 2015. Based on information from VA, about 20 percent of that workforce—roughly 4,500 people—oversee and carry out the benefits programs that would be transferred to VEOA under the bill.

CBO estimates that the personnel, records, property, and budgetary resources currently used by VBA to manage those programs would be transferred to the new entity. In addition, CBO estimates that VEOA would ultimately add 20 additional positions, such as an Under Secretary for Veterans Economic Opportunity, to manage the daily operations of the new administration.

TABLE 3—IMPACT OF H.R. 2481 ON SPENDING SUBJECT TO APPROPRIATION

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Homeless Veterans Reintegration Programs:						
Authorization Level	50	50	50	50	50	250
Estimated Outlays	4	34	49	50	50	187
Veterans Economic Opportunity Administration:						
Estimated Authorization Level	0	15	5	5	5	30
Estimated Outlays	0	13	6	5	5	29
Enhanced Mortgage Protection:						
Estimated Authorization Level	0	*	*	*	*	2
Estimated Outlays	0	*	*	*	*	2
Total Changes:						
Estimated Authorization Level	50	65	55	55	55	282
Estimated Outlays	4	47	55	55	55	218

Notes: Details may not add to totals because of rounding.
 * = between –\$500,000 and \$500,000.

On that basis, CBO estimates that establishing VEOA, transferring the programs, personnel, and accompanying assets, and hiring the additional 20 personnel would cost \$29 million over the 2014–2018 period, assuming appropriation of the estimated amounts.

Enhanced Mortgage Protection. As described above, section 11 would increase the subsidy costs of FHA loans guaranteed in 2015 and later years by increasing the amount of unpaid interest that could accrue on defaulted loans before those loans are terminated. CBO estimates that the annual subsidy rate for the FHA single-family program would increase by less than 0.1 percent relative to the rates estimated under current law.² As a result of the provisions in section 11, net subsidy costs under the FHA program would increase by less than \$500,000 each year, and by a total of \$2 million over the 2014–2018 period, assuming enactment of the commitment limit at levels projected in CBO’s baseline.

Pay-As-You-Go Considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 2481 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS’ AFFAIRS ON AUGUST 1, 2013

	By fiscal year, in millions of dollars—												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013–2018	2013–2023
NET INCREASE OR DECREASE (–) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	12	5	5	–171	6	5	6	6	6	–149	–120

Intergovernmental and private-sector impact: The bill would impose a number of mandates, as defined in UMRA, on public and

²The subsidy rate for that program is negative, resulting in net receipts to the federal government. Discretionary credit programs with negative subsidy rates do not require a subsidy appropriation, but an appropriations act must specify the maximum amount of loans that an agency can commit to guarantee.

private lending institutions. In aggregate, CBO estimates that the costs of complying with the mandates in H.R. 2481 would fall below the annual thresholds established in UMRA for both intergovernmental and private-sector mandates (\$75 million and \$150 million in 2013, respectively, adjusted annually for inflation).

Under the bill, public and private lending institutions that are subject to SCRA would have to:

- Extend the length of stay of civil proceedings relating to real or personal property, mortgages, evictions, and foreclosures for servicemembers, veterans, and surviving spouses (as those groups are defined in the bill);
- Designate an employee who would ensure compliance with the act;
- Consider active-duty servicemembers who have been relocated to be occupying the residence that secures a mortgage for refinancing inquiries or applications; and
- Maintain a toll-free telephone number to provide assistance to servicemembers if the institution has over \$10 billion in annual assets.

CBO expects the cost of complying with the stay of civil proceedings would be small because relatively few servicemembers, retirees, and surviving spouses of servicemembers who die on active duty are likely to face foreclosure within the periods specified in the bill. Some of those costs would be offset by claim payments from VA and FHA.

Lending institutions currently employ compliance officers, and all large institutions maintain toll-free numbers. For that reason, CBO estimates that the extra training for employees and the maintenance of toll-free numbers would not impose significant costs on private entities. Because few lending institutions are public entities, CBO estimates that the intergovernmental costs of the mandates also would be small.

The bill also would preempt state laws, applicable to child custody protection, that provide less protection to servicemembers than the federal standard. The preemption would be an intergovernmental mandate as defined in UMRA because it would limit the application of state law; however, it would impose no duty on states that would result in additional spending.

Estimate prepared by: Federal Costs: William Ma and David Newman; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Elizabeth Bass.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 2481, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

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. 2481, as amended.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation 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 section 3(j) of H. Res. 5, 113th Cong. (2013), the Committee finds that no provision of H.R. 2481, as amended, "The Economic Opportunity Act of 2013," establishes or reauthorizes a program of the 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 Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(k) of H. Res. 5, 113th Cong. (2013), the Committee estimates that H.R. 2481, as amended, does not require any directed rule makings.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

This section provides the short title of H.R. 2481, as amended, as the "Veterans Economic Opportunity Act of 2013."

Section 2—References to Title 38, United States Code

Section 2 provides that unless otherwise expressly provided, all references to the United States Code shall be considered to be in reference to title 38, United States Code.

Section 3—Score of budgetary effects

Section 3 states that to ensure that the bill is in compliance with the Statutory Pay-As-You-Go Act of 2010, the budgetary effect of the bill be determined by reference to a statement submitted in the Congressional Record by the Chairman of the House Budget Committee prior to a vote on passage.

Section 4—Establishment of Veteran Economic Opportunity Administration of Department of Veterans Affairs

Section 4(a) would amend title 38, U.S.C., to add a new chapter 80 which would authorize the creation of the Veterans Economic Opportunity Administration. The new Administration would be headed by the Under Secretary for Economic Opportunity who would report directly to the Secretary of Veterans Affairs. The new administration would be responsible for the following programs: vo-

cational rehabilitation and employment, educational assistance, veterans housing, and veterans small business programs under section 8127 of title 38, U.S.C.

Section 4(b) states that this section would take effect on October 1, 2014.

Section 5—Under Secretary for Veterans Economic Opportunity

Section 5(a) would amend title 38, U.S.C., to create a new section 306A that would create the position of the Under Secretary for Veterans Economic Opportunity. Under this section, the new Under Secretary would be appointed by the President with the advice and consent of the Senate. The Under Secretary would have to have demonstrated ability in information technology and administration of programs within the Economic Opportunity Administration or similar programs.

The section also would require that when there is a vacancy for this position, the Secretary would establish a commission to recommend individuals to the President for appointment to the position. This commission would be composed of three persons representing programs or industries affected by the new administration, two veterans served by the new administration, two persons with private sector experience with programs in similar content and scope as the new administration, the Deputy Secretary of Veterans Affairs, the chairman of the Veterans Advisory Committee on Education, and one person who has held the position of Under Secretary of Veterans Economic Opportunity if the Secretary determines having this person on the commission is desirable.

The Commission would recommend at least three individuals for appointment for the Under Secretary position to the Secretary. The Secretary would then submit these recommendations, with or without comment as the Secretary desires, to the President and the House and Senate Committees on Veterans' Affairs. Each of these individuals submitted by the commission would have to have held a senior level position in the private sector with responsibilities relating to similar programs as those administered by the Veterans Opportunity Administration.

Section 5(b) would provide conforming amendments.

Section 5(c) would require that for each of fiscal years 2014 and 2015 the aggregate number of full-time equivalent employees authorized for the Veterans Benefit Administration and the Veterans Economic Opportunity Administration in either year would be no greater than 20,851.

Section 5(d) would require that the amendment made by this section be effective on October 1, 2014.

Section 6—Five year extension of the Homeless Veterans Reintegration Program

Section 6 would amend 2021(e)(F) of title 38, U.S.C., to reauthorize the Homeless Veteran Reintegration Program until the end of fiscal year 2018.

Section 7—Entitlement of children of certain deceased veterans to educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs

Section 7(a) would amend section 3311(b)(9) to add an additional eligibility for the Marine Gunnery Sergeant John David Frye Scholarship to include children of veterans that die within 31 days of discharge as a result of the injury for which the veterans received a Purple Heart.

Section 7(b) would stipulate that such eligibility under section 7(a) would apply to veterans who died after September 11, 2001.

Section 7(c) would state that payments to eligible children under chapter 33 of title 38, U.S.C. made eligible by this section shall be effective no earlier than October 1, 2014.

Section 8—Re-codification and improvement of election process for Post-9/11 Educational Assistance Program

Section 8 would create section 3326 of title 38, U.S.C., by re-codifying section 5003(c) of the Post-9/11 Veterans Educational Assistance Act of 2008 (P.L. 110–252). Section 8(h) would be added to this section and would authorize VA, after October 1, 2014, to make an alternative election for veterans to relinquish their eligibility for other VA education program(s) in order to transfer into the Post-9/11 GI Bill. The VA would make this election for the veteran if VA believes the veteran's choice was not in the veteran's best interests. Under this section, if the VA makes this election, the veteran would have to be notified within seven days and given 30 days in which he or she could change the VA's decision.

Section 9—Centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions

Section 9 would amend section 3684(a) of title 38, U.S.C., by permitting a group, district, or consortium of separately accredited educational institutions located in the state to centralize the reporting of statutorily required GI Bill enrollment information.

Section 10—Extension of loan guaranty fee for certain subsequent loans

Section 10 would amend section 3729(b)(2)(B) of title 38, U.S.C., to authorize the extension of the current rate of funding fees for subsequent use loans from October 1, 2017 to October 1, 2018.

Section 11—Mortgage protection for members of the armed forces, surviving spouses, and certain veterans

Section 11(a) would amend SCRA to create a new section 303A related to mortgages and trust deeds of certain servicemembers, surviving spouses, and disabled veterans. The section would cover obligations on real and personal property purchased by a covered individual at any time to include both judicial and non-judicial foreclosure actions. This section would also authorize a court, on its own motion or upon application by a covered individual, to stay a foreclosure action and require the creditor to cease foreclosure action upon notice by a covered individual during the covered time period. It would allow a foreclosure to be completed with a court order or a waiver of rights by the covered person if a stay is not granted.

The new 303A(d) would require a covered individual to provide notice of SCRA protection to the creditor during the covered period to qualify for the protections. Where applicable, the notice would include a copy of military orders or any notification, certification, or verification from the servicemember's commanding officer, etc. The new section 303A(e) would require that the aggregate period that a covered individual would be protected by this section would be 12 months. Section 303A(f) would make it a misdemeanor for a person to knowingly foreclose on or sell a covered individual's home or property in violation of the protections that would be extended by this section.

Under the new 303A(g)(1), "covered persons" would be defined as including: servicemembers on active duty serving in support of contingency operations, servicemembers in a convalescent status, servicemembers placed on the Temporary Disability Retired List (TDRL), servicemembers medically discharged and retired under Chapter 61 of Title 10, U.S.C., except those separated under section 1207 (separated for misconduct), and surviving spouses of servicemembers who died during military service.

Under the new 303A(g)(2), covered time periods would be defined as starting from the effective date of orders until 12 months following return for servicemembers supporting contingency operations, 12 months after entering such status for those on convalescent status or TDRL, 12 months after retirement for those retired under Chapter 61, 12 months after death of the servicemember for surviving spouses, and a maximum of 12 months of aggregate coverage if a covered person qualifies under more than one category of covered persons.

Section 11(b) would amend paragraph 3 of section 802(b) of SCRA to double the existing civil penalties for violations of mortgage protections.

Section 11(c) would prohibit credit discrimination against those who are or may be covered under SCRA.

Section 11(d) would require that all amendments to SCRA that would be made by this section would take effect on October 1, 2014.

Section 12—Treatment of relocation for active duty for purposes of mortgage refinancing

Section 12 would amend SCRA to create a new section, 303B, which would ensure that, for purposes of refinancing an existing mortgage, the creditor would consider the home as the primary residence even though the servicemember is absent due to military orders. The section would not cover mortgages that had been refinanced at any time during the previous 5 years. It would consider a refinanced mortgage under this section as a pre-service obligation and therefore covered under SCRA if the mortgage being refinanced was originated prior to military service. These amendments would take effect on October 1, 2014.

Section 13—Requirements for lending institutions that are creditors for obligations and liabilities covered by the Servicemembers Civil Relief Act

Section 13 would amend section 207 of SCRA to require all lending institutions that service or hold SCRA covered mortgages to designate an SCRA Compliance officer who would be responsible

for ensuring the institution’s compliance with SCRA. The section would also require the covered institutions with annual assets of \$10 billion have a toll-free phone number published on the institution’s website.

Section 14—Protection of child custody arrangement for parents who are members of the armed forces.

Section 14 amends Title II of the Servicemembers Civil Relief Act by adding a new section 208 on child custody protection.

Subsection (a) provides for a new section 208 in the SCRA that provides that if a court renders a temporary order for custodial responsibility for a child based solely on a deployment or anticipated deployment of a parent who is a servicemember, then the court shall require that upon the return of the servicemember from deployment, the custody order that was in effect immediately preceding the temporary order shall be reinstated, unless the court finds that such a reinstatement is not in the best interest of the child.

Section 208(b) would prohibit courts from considering the absence or potential absence of a servicemember from being considered as part of the court’s determination of the child’s best interest.

Section 208(c) would state that nothing in this new section shall create a Federal right of action.

Section 208(d) would require that if any applicable state law gives a greater level of protection to the rights of the parents than the one provided by this section, the state law will apply.

Section 208(e) would define a deployment as movement or mobilization of a servicemember for a period no shorter than 60 days and not longer than 18 months where the servicemember is not authorized to bring their dependents.

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 italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART I—GENERAL PROVISIONS

PART I. GENERAL PROVISIONS

Chapter.		Sec.
	1. General	101
	* * * * *	

PART V. BOARDS, ADMINISTRATIONS, AND SERVICES

71. Board of Veterans’ Appeals	7101
* * * * *	
80. Veterans Economic Opportunity Administration	8001
* * * * *	

CHAPTER 3—DEPARTMENT OF VETERANS AFFAIRS

Sec.

301. Department.

* * * * *

306A. *Under Secretary for Veterans Economic Opportunity.*

* * * * *

§ 306. Under Secretary for Benefits

(a) * * *

* * * * *

(c)(1) * * *

(2) A commission established under this subsection shall be composed of the following members appointed by the Secretary:

[(A) Three persons representing education and training, real estate, mortgage finance, and related industries, and survivor benefits activities affected by the Veterans Benefits Administration.]

[(B)] (A) Two persons representing veterans served by the Veterans Benefits Administration.

[(C)] (B) Two persons who have experience in the management of veterans benefits programs or programs of similar content and scope.

[(D)] (C) The Deputy Secretary of Veterans Affairs.

[(E) The chairman of the Veterans' Advisory Committee on Education formed under section 3692 of this title.]

[(F)] (D) One person who has held the position of Under Secretary for Benefits (including service as Chief Benefits Director of the Veterans' Administration), if the Secretary determines that it is desirable for such person to be a member of the commission.

* * * * *

§ 306A. Under Secretary for Veterans Economic Opportunity

(a) *UNDER SECRETARY.*—*There is in the Department an Under Secretary for Veterans Economic Opportunity, who is appointed by the President, by and with the advice and consent of the Senate. The Under Secretary for Veterans Economic Opportunity shall be appointed without regard to political affiliation or activity and solely on the basis of demonstrated ability in—*

(1) *information technology; and*

(2) *the administration of programs within the Veterans Economic Opportunity Administration or programs of similar content and scope.*

(b) *RESPONSIBILITIES.*—*The Under Secretary for Veterans Economic Opportunity is the head of, and is directly responsible to the Secretary for the operations of, the Veterans Economic Opportunity Administration.*

(c) *VACANCIES.*—(1) *Whenever a vacancy in the position of Under Secretary for Veterans Economic Opportunity occurs or is anticipated, the Secretary shall establish a commission to recommend individuals to the President for appointment to the position.*

(2) *A commission established under this subsection shall be composed of the following members appointed by the Secretary:*

(A) *Three persons representing education and training, vocational rehabilitation, employment, real estate, mortgage finance and related industries, and survivor benefits activities affected by the Veterans Economic Opportunity Administration.*

(B) *Two persons representing veterans served by the Veterans Economic Opportunity Administration.*

(C) *Two persons who have experience in the management of private sector benefits programs of similar content and scope to the economic opportunity programs of the Department.*

(D) *The Deputy Secretary of Veterans Affairs.*

(E) *The chairman of the Veterans' Advisory Committee on Education formed under section 3692 of this title.*

(F) *One person who has held the position of Under Secretary for Veterans Economic Opportunity, if the Secretary determines that it is desirable for such person to be a member of the commission.*

(3) *A commission established under this subsection shall recommend at least three individuals for appointment to the position of Under Secretary for Veterans Economic Opportunity. The commission shall submit all recommendations to the Secretary. The Secretary shall forward the recommendations to the President and the Committees on Veterans' Affairs of the Senate and House of Representatives with any comments the Secretary considers appropriate. Thereafter, the President may request the commission to recommend additional individuals for appointment.*

(4) *The Assistant Secretary or Deputy Assistant Secretary of Veterans Affairs who performs personnel management and labor relations functions shall serve as the executive secretary of a commission established under this subsection.*

(d) **QUALIFICATIONS OF RECOMMENDED INDIVIDUALS.**—*Each individual recommended to the President by the commission for appointment to the position of Under Secretary for Veterans Economic Opportunity shall be an individual who has held a senior level position in the private sector with responsibilities relating to at least one of the following:*

- (1) *Education policy.*
- (2) *Vocational rehabilitation.*
- (3) *Employment.*
- (4) *Home loan finance.*
- (5) *Small business development.*

* * * * *

§ 317. Center for Minority Veterans

(a) * * *

* * * * *

(d) *The Director shall perform the following functions with respect to veterans who are minorities:*

(1) * * *

(2) *Make recommendations to the Secretary, the Under Secretary for Health, the Under Secretary for Benefits, the Under Secretary for Veterans Economic Opportunity, and other Department officials for the establishment or improvement of pro-*

grams in the Department for which veterans who are minorities are eligible.

* * * * *

§ 318. Center for Women Veterans

(a) * * *

* * * * *

(d) The Director shall perform the following functions with respect to veterans who are women:

(1) * * *

(2) Make recommendations to the Secretary, the Under Secretary for Health, the Under Secretary for Benefits, *the Under Secretary for Veterans Economic Opportunity*, and other Department officials for the establishment or improvement of programs in the Department for which veterans who are women are eligible.

* * * * *

CHAPTER 5—AUTHORITY AND DUTIES OF THE SECRETARY

SUBCHAPTER I—GENERAL AUTHORITIES

* * * * *

§ 516. Equal employment responsibilities

(a) * * *

* * * * *

(e)(1) * * *

(2) Paragraph (1) applies to the following officers and employees of the Department:

(A) * * *

* * * * *

(C) The Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity*.

* * * * *

SUBCHAPTER III—ADVISORY COMMITTEES

§ 541. Advisory Committee on Former Prisoners of War

(a)(1) * * *

(2)(A) * * *

(B) The Committee shall also include, as ex officio members, the Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity*, or their designees.

* * * * *

§ 542. Advisory Committee on Women Veterans

(a)(1) * * *

(2)(A) * * *

(B) The Committee shall include, as ex officio members—

(i) * * *

* * * * *

(iii) the Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity*, or their designees.

* * * * *

§ 544. Advisory Committee on Minority Veterans

(a)(1) * * *

(2)(A) * * *

(B) The Committee shall include, as ex officio members, the following:

(i) * * *

* * * * *

(vi) The Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity*, or their designees.

* * * * *

CHAPTER 7—EMPLOYEES

* * * * *

§ 709. Employment restrictions

(a) * * *

* * * * *

(c)(1) * * *

(2) Paragraph (1) shall not apply—

(A) to the appointment of any person by the President under this title, other than the appointment of the Under Secretary for Health, the Under Secretary for Benefits, *the Under Secretary for Veterans Economic Opportunity*, and the Inspector General; or

PART II—GENERAL BENEFITS

* * * * *

CHAPTER 20—BENEFITS FOR HOMELESS VETERANS

* * * * *

SUBCHAPTER III—TRAINING AND OUTREACH

SEC. 2021. Homeless veterans reintegration programs

(a) * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section amounts as follows:

(A) * * *

* * * * *

(F) \$50,000,000 for each of fiscal years 2007 through **2013** 2018.

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * *

CHAPTER 33—POST-9/11 EDUCATIONAL ASSISTANCE

SUBCHAPTER I—DEFINITIONS

Sec.
3301. Definitions.

* * * * *

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

3326. *Election to receive educational assistance.*

* * * * *

SUBCHAPTER II—EDUCATIONAL ASSISTANCE

§ 3311. Educational assistance for service in the Armed Forces commencing on or after September 11, 2001: entitlement

(a) * * *

(b) COVERED INDIVIDUALS.—An individual described in this subsection is any individual as follows:

(1) * * *

(9) An individual who is the child of a person who, on or after September 11, **2001**, dies in line of duty while serving on active duty as a member of the Armed Forces. **2001—**

(A) *dies in line of duty while serving on active duty as a member of the Armed Forces; or*

(B) *is awarded the Purple Heart for an injury and dies as a result of that injury during the 31-day period beginning on the date of the person’s discharge or release from active duty service in the Armed Forces.*

* * * * *

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

* * * * *

§ 3326. Election to receive educational assistance

(a) *INDIVIDUALS ELIGIBLE TO ELECT PARTICIPATION IN POST-9/11 EDUCATIONAL ASSISTANCE.—An individual may elect to receive educational assistance under this chapter if such individual—*

(1) *as of August 1, 2009—*

(A) *is entitled to basic educational assistance under chapter 30 of the title and has used, but retains unused, entitlement under that chapter;*

(B) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10 and has used, but retains unused, entitlement under the applicable chapter;

(C) is entitled to basic educational assistance under chapter 30 of this title but has not used any entitlement under that chapter;

(D) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10 but has not used any entitlement under such chapter;

(E) is a member of the Armed Forces who is eligible for receipt of basic educational assistance under chapter 30 this title and is making contributions toward such assistance under section 3011(b) or 3012(c) of this title; or

(F) is a member of the Armed Forces who is not entitled to basic educational assistance under chapter 30 of this title by reason of an election under section 3011(c)(1) or 3012(d)(1) of this title; and

(2) as of the date of the individual's election under this paragraph, meets the requirements for entitlement to educational assistance under this chapter.

(b) CESSATION OF CONTRIBUTIONS TOWARD GI BILL.—Effective as of the first month beginning on or after the date of an election under subsection (a) of an individual described by paragraph (1)(E) of that subsection, the obligation of the individual to make contributions under section 3011(b) or 3012(c) of this title, as applicable, shall cease, and the requirements of such section shall be deemed to be no longer applicable to the individual.

(c) REVOCATION OF REMAINING TRANSFERRED ENTITLEMENT.—

(1) ELECTION TO REVOKE.—If, on the date an individual described in paragraph (1)(A) or (1)(C) of subsection (a) makes an election under that subsection, a transfer of the entitlement of the individual to basic educational assistance under section 3020 of this title is in effect and a number of months of the entitlement so transferred remain unutilized, the individual may elect to revoke all or a portion of the entitlement so transferred that remains unutilized.

(2) AVAILABILITY OF REVOKED ENTITLEMENT.—Any entitlement revoked by an individual under this paragraph shall no longer be available to the dependent to whom transferred, but shall be available to the individual instead for educational assistance under chapter 33 of this title in accordance with the provisions of this section.

(3) AVAILABILITY OF UNREVOKED ENTITLEMENT.—Any entitlement described in paragraph (1) that is not revoked by an individual in accordance with that paragraph shall remain available to the dependent or dependents concerned in accordance with the current transfer of such entitlement under section 3020 of this title.

(d) POST-9/11 EDUCATIONAL ASSISTANCE.—

(1) IN GENERAL.—Subject to paragraph (2) and except as provided in subsection (e), an individual making an election under subsection (a) shall be entitled to educational assistance under this chapter in accordance with the provisions of this chapter, instead of basic educational assistance under chapter 30 this

title, or educational assistance under chapter 107, 1606, or 1607 of title 10, as applicable.

(2) *LIMITATION ON ENTITLEMENT FOR CERTAIN INDIVIDUALS.*—In the case of an individual making an election under subsection (a) who is described by paragraph (1)(A) of that subsection, the number of months of entitlement of the individual to educational assistance under this chapter 33 shall be the number of months equal to—

(A) the number of months of unused entitlement of the individual under chapter 30 of this title, as of the date of the election, plus

(B) the number of months, if any, of entitlement revoked by the individual under subsection (c)(1).

(e) *CONTINUING ENTITLEMENT TO EDUCATIONAL ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE PROGRAM.*—

(1) *IN GENERAL.*—In the event educational assistance to which an individual making an election under subsection (a) would be entitled under chapter 30 of this title, or chapter 107, 1606, or 1607 of title 10, as applicable, is not authorized to be available to the individual under the provisions of this chapter the individual shall remain entitled to such educational assistance in accordance with the provisions of the applicable chapter.

(2) *CHARGE FOR USE OF ENTITLEMENT.*—The utilization by an individual of entitlement under paragraph (1) shall be chargeable against the entitlement of the individual to educational assistance under this chapter at the rate of one month of entitlement under this chapter for each month of entitlement utilized by the individual under paragraph (1) (as determined as if such entitlement were utilized under the provisions of chapter 30 of this title, or chapter 107, 1606, or 1607 of title 10, as applicable).

(f) *ADDITIONAL POST-9/11 ASSISTANCE FOR MEMBERS HAVING MADE CONTRIBUTIONS TOWARD GI BILL.*—

(1) *ADDITIONAL ASSISTANCE.*—In the case of an individual making an election under subsection (a) who is described by subparagraph (A), (C), or (E) of paragraph (1) of that subsection, the amount of educational assistance payable to the individual under this chapter 33 as a monthly stipend payable under paragraph (1)(B) of section 3313(c) of this title, or under paragraphs (2) through (7) of that section (as applicable), shall be the amount otherwise payable as a monthly stipend under the applicable paragraph increased by the amount equal to—

(A) the total amount of contributions toward basic educational assistance made by the individual under section 3011(b) or 3012(c) of this title, as of the date of the election, multiplied by

(B) the fraction—

(i) the numerator of which is—

(I) the number of months of entitlement to basic educational assistance under chapter 30 of this title remaining to the individual at the time of the election; plus

(II) the number of months, if any, of entitlement under such chapter 30 revoked by the individual under subsection (c)(1); and

(ii) the denominator of which is 36 months.

(2) MONTHS OF REMAINING ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual covered by paragraph (1) who is described by subsection (a)(1)(E), the number of months of entitlement to basic educational assistance remaining to the individual for purposes of paragraph (1)(B)(i)(II) shall be 36 months.

(3) TIMING OF PAYMENT.—The amount payable with respect to an individual under paragraph (1) shall be paid to the individual together with the last payment of the monthly stipend payable to the individual under paragraph (1)(B) of section 3313(c) of this title, or under subsections (b) through (g) of that section (as applicable), before the exhaustion of the individual's entitlement to educational assistance under this chapter.

(g) CONTINUING ENTITLEMENT TO ADDITIONAL ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND ADDITIONAL SERVICE.—An individual making an election under subsection (a)(1) who, at the time of the election, is entitled to increased educational assistance under section 3015(d) of this title, or section 16131(i) of title 10, or supplemental educational assistance under subchapter III of chapter 30 of this title, shall remain entitled to such increased educational assistance or supplemental educational assistance in the utilization of entitlement to educational assistance under this chapter, in an amount equal to the quarter, semester, or term, as applicable, equivalent of the monthly amount of such increased educational assistance or supplemental educational assistance payable with respect to the individual at the time of the election.

(h) ALTERNATIVE ELECTION BY SECRETARY.—

(1) IN GENERAL.—In the case of an individual who, on or after October 1, 2014, submits to the Secretary an election under this section that the Secretary determines is clearly against the interests of the individual, the Secretary may make an alternative election on behalf of the individual that the Secretary determines is in the best interests of the individual.

(2) NOTICE.—If the Secretary makes an election on behalf of an individual under this subsection, the Secretary shall notify the individual by not later than seven days after making such election and shall provide the individual with a 30-day period, beginning on the date of the individual's receipt of such notice, during which the individual may modify or revoke the election made by the Secretary on the individual's behalf. The Secretary shall include, as part of such notice, a clear statement of why the alternative election made by the Secretary is in the best interests of the individual as compared to the election submitted by the individual. The Secretary shall provide the notice required under this paragraph by electronic means whenever possible.

(i) IRREVOCABILITY OF ELECTIONS.—An election under subsection (a) or (c)(1) is irrevocable.

* * * * *

CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

* * * * *

SUBCHAPTER II—MISCELLANEOUS PROVISIONS

* * * * *

§ 3684. Reports by veterans, eligible persons, and institutions; reporting fee

(a)(1) Except as provided in paragraph (2) of this subsection, the veteran or eligible person and the educational institution offering a course in which such veteran or eligible person is enrolled under chapter 31, 32, 33, 34, 35, or 36 of this title shall, without delay, report to the Secretary, in the form prescribed by the Secretary, such enrollment and any interruption or termination of the education of each such veteran or eligible person. The date of such interruption or termination will be the last date of pursuit, or, in the case of correspondence training, the last date a lesson was serviced by a school.

* * * * *

(4) *For purposes of this subsection, the term “educational institution” may include a group, district, or consortium of separately accredited educational institutions located in the same State that are organized in a manner that facilitates the centralized reporting of the enrollments in such group, district, or consortium of institutions.*

* * * * *

CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

* * * * *

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

SEC. 3729. Loan fee

(a) * * *

(b) DETERMINATION OF FEE.—(1) * * *

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

LOAN FEE TABLE

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710 38 USC Sec. 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710 38 USC Sec. 3710(a) other than with 5-down or 10-down (closed before January 1, 2004)	2.00	2.75	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(ii) Initial loan described in section 3710 38 USC Sec. 3710 (a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710 38 USC Sec. 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2004, and before October 1, 2004)	2.20	2.40	NA
(A)(iii) Initial loan described in section 3710 38 USC Sec. 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710 38 USC Sec. 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before October 1, 2017)	2.15	2.40	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 October 1, 2017)	1.40	1.65	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 before October 1, 2017 October 1, 2018)	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 October 1, 2017 October 1, 2018)	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before October 1, 2017)	1.50	1.75	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2017)	0.75	1.00	NA
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before October 1, 2017)	1.25	1.50	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2017)	0.50	0.75	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

* * * * *

PART V—BOARDS, ADMINISTRATIONS, AND SERVICES

* * * * *

CHAPTER 77—VETERANS BENEFITS ADMINISTRATION

SUBCHAPTER I—ORGANIZATION; GENERAL

§ 7701. Organization of the Administration

(a) There is in the Department of Veterans Affairs a Veterans Benefits Administration. The primary function of the Veterans Benefits Administration is the administration of nonmedical benefits programs of the Department which provide assistance, *other than assistance related to economic opportunity*, to veterans and their dependents and survivors.

* * * * *

§ 7703. Functions of the Administration

The Veterans Benefits Administration is responsible for the administration of the following programs of the Department:

(1) * * *

[(2) Vocational rehabilitation and educational assistance programs.

[(3) Veterans' housing loan programs.]

[(4)] (2) Veterans' and servicemembers' life insurance programs.

[(5)] (3) Outreach programs and other veterans' services programs.

* * * * *

CHAPTER 80—VETERANS ECONOMIC OPPORTUNITY ADMINISTRATION

8001. *Organization of Administration.*

8002. *Functions of Administration.*

§ 8001. Organization of Administration

(a) *VETERANS ECONOMIC OPPORTUNITY ADMINISTRATION.*—*There is in the Department of Veterans Affairs a Veterans Economic Opportunity Administration. The primary function of the Veterans Economic Opportunity Administration is the administration of the programs of the Department which provide assistance related to economic opportunity to veterans and their dependents and survivors.*

(b) *UNDER SECRETARY FOR ECONOMIC OPPORTUNITY.*—*The Veterans Economic Opportunity Administration is under the Under Secretary for Veterans Economic Opportunity, who is directly responsible to the Secretary for the operations of the Administration.*

§ 8002. Functions of Administration

The Veterans Economic Opportunity Administration is responsible for the administration of the following programs of the Department:

(1) *Vocational rehabilitation and employment programs.*

(2) *Educational assistance programs.*

(3) *Veterans' housing loan and related programs.*

(4) *The veterans small business program under section 8127 of this title.*

SECTION 5003 OF THE POST-9/11 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008

SEC. 5003. EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE ARMED FORCES WHO SERVE AFTER SEPTEMBER 11, 2001

(a) * * *

* * * * *

[(c) **APPLICABILITY TO INDIVIDUALS UNDER MONTGOMERY GI BILL PROGRAM.**—

[(1) **INDIVIDUALS ELIGIBLE TO ELECT PARTICIPATION IN POST-9/11 EDUCATIONAL ASSISTANCE.**—An individual may elect to receive educational assistance under chapter 33 of title 38, United States Code (as added by subsection (a)), if such individual—

[(A) as of August 1, 2009—

[(i) is entitled to basic educational assistance under chapter 30 of title 38, United States Code, and has used, but retains unused, entitlement under that chapter;

[(ii) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10, United States Code, and has used, but retains unused, entitlement under the applicable chapter;

[(iii) is entitled to basic educational assistance under chapter 30 of title 38, United States Code, but has not used any entitlement under that chapter;

[(iv) is entitled to educational assistance under chapter 107, 1606, or 1607 of title 10, United States Code, but has not used any entitlement under such chapter;

[(v) is a member of the Armed Forces who is eligible for receipt of basic educational assistance under chapter 30 of title 38, United States Code, and is making contributions toward such assistance under section 3011(b) or 3012(c) of such title; or

[(vi) is a member of the Armed Forces who is not entitled to basic educational assistance under chapter 30 of title 38, United States Code, by reason of an election under section 3011(c)(1) or 3012(d)(1) of such title; and

[(B) as of the date of the individual's election under this paragraph, meets the requirements for entitlement to educational assistance under chapter 33 of title 38, United States Code (as so added).

[(2) CESSATION OF CONTRIBUTIONS TOWARD GI BILL.—Effective as of the first month beginning on or after the date of an election under paragraph (1) of an individual described by subparagraph (A)(v) of that paragraph, the obligation of the individual to make contributions under section 3011(b) or 3012(c) of title 38, United States Code, as applicable, shall cease, and the requirements of such section shall be deemed to be no longer applicable to the individual.

[(3) REVOCATION OF REMAINING TRANSFERRED ENTITLEMENT.—

[(A) ELECTION TO REVOKE.—If, on the date an individual described in subparagraph (A)(i) or (A)(iii) of paragraph (1) makes an election under that paragraph, a transfer of the entitlement of the individual to basic educational assistance under section 3020 of title 38, United States Code, is in effect and a number of months of the entitlement so transferred remain unutilized, the individual may elect to revoke all or a portion of the entitlement so transferred that remains unutilized.

[(B) AVAILABILITY OF REVOKED ENTITLEMENT.—Any entitlement revoked by an individual under this paragraph shall no longer be available to the dependent to whom transferred, but shall be available to the individual instead for educational assistance under chapter 33 of title 38,

United States Code (as so added), in accordance with the provisions of this subsection.

[(C) AVAILABILITY OF UNREVOKED ENTITLEMENT.—Any entitlement described in subparagraph (A) that is not revoked by an individual in accordance with that subparagraph shall remain available to the dependent or dependents concerned in accordance with the current transfer of such entitlement under section 3020 of title 38, United States Code.

[(4) POST-9/11 EDUCATIONAL ASSISTANCE.—

[(A) IN GENERAL.—Subject to subparagraph (B) and except as provided in paragraph (5), an individual making an election under paragraph (1) shall be entitled to educational assistance under chapter 33 of title 38, United States Code (as so added), in accordance with the provisions of such chapter, instead of basic educational assistance under chapter 30 of title 38, United States Code, or educational assistance under chapter 107, 1606, or 1607 of title 10, United States Code, as applicable.

[(B) LIMITATION ON ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual making an election under paragraph (1) who is described by subparagraph (A)(i) of that paragraph, the number of months of entitlement of the individual to educational assistance under chapter 33 of title 38, United States Code (as so added), shall be the number of months equal to—

[(i) the number of months of unused entitlement of the individual under chapter 30 of title 38, United States Code, as of the date of the election, plus

[(ii) the number of months, if any, of entitlement revoked by the individual under paragraph (3)(A).

[(5) CONTINUING ENTITLEMENT TO EDUCATIONAL ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE PROGRAM.—

[(A) IN GENERAL.—In the event educational assistance to which an individual making an election under paragraph (1) would be entitled under chapter 30 of title 38, United States Code, or chapter 107, 1606, or 1607 of title 10, United States Code, as applicable, is not authorized to be available to the individual under the provisions of chapter 33 of title 38, United States Code (as so added), the individual shall remain entitled to such educational assistance in accordance with the provisions of the applicable chapter.

[(B) CHARGE FOR USE OF ENTITLEMENT.—The utilization by an individual of entitlement under subparagraph (A) shall be chargeable against the entitlement of the individual to educational assistance under chapter 33 of title 38, United States Code (as so added), at the rate of one month of entitlement under such chapter 33 for each month of entitlement utilized by the individual under subparagraph (A) (as determined as if such entitlement were utilized under the provisions of chapter 30 of title 38, United States Code, or chapter 107, 1606, or 1607 of title 10, United States Code, as applicable).

[(6) ADDITIONAL POST-9/11 ASSISTANCE FOR MEMBERS HAVING MADE CONTRIBUTIONS TOWARD GI BILL.—

[(A) ADDITIONAL ASSISTANCE.—In the case of an individual making an election under paragraph (1) who is described by clause (i), (iii), or (v) of subparagraph (A) of that paragraph, the amount of educational assistance payable to the individual under chapter 33 of title 38, United States Code (as so added), as a monthly stipend payable under paragraph (1)(B) of section 3313(c) of such title, or under paragraphs (2) through (7) of that section (as applicable), shall be the amount otherwise payable as a monthly stipend under the applicable paragraph increased by the amount equal to—

[(i) the total amount of contributions toward basic educational assistance made by the individual under section 3011(b) or 3012(c) of title 38, United States Code, as of the date of the election, multiplied by

[(ii) the fraction—

[(I) the numerator of which is—

[(aa) the number of months of entitlement to basic educational assistance under chapter 30 of title 38, United States Code, remaining to the individual at the time of the election; plus

[(bb) the number of months, if any, of entitlement under such chapter 30 revoked by the individual under paragraph (3)(A); and

[(II) the denominator of which is 36 months.

[(B) MONTHS OF REMAINING ENTITLEMENT FOR CERTAIN INDIVIDUALS.—In the case of an individual covered by subparagraph (A) who is described by paragraph (1)(A)(v), the number of months of entitlement to basic educational assistance remaining to the individual for purposes of subparagraph (A)(ii)(I)(aa) shall be 36 months.

[(C) TIMING OF PAYMENT.—The amount payable with respect to an individual under subparagraph (A) shall be paid to the individual together with the last payment of the monthly stipend payable to the individual under paragraph (1)(B) of section 3313(c) of title 38, United States Code (as so added), or under paragraphs (2) through (7) of that section (as applicable), before the exhaustion of the individual's entitlement to educational assistance under chapter 33 of such title (as so added).

[(7) CONTINUING ENTITLEMENT TO ADDITIONAL ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND ADDITIONAL SERVICE.—An individual making an election under paragraph (1)(A) who, at the time of the election, is entitled to increased educational assistance under section 3015(d) of title 38, United States Code, or section 16131(i) of title 10, United States Code, or supplemental educational assistance under subchapter III of chapter 30 of title 38, United States Code, shall remain entitled to such increased educational assistance or supplemental educational assistance in the utilization of entitlement to educational assistance under chapter 33 of title 38, United States Code (as so added), in an amount equal to the quarter, semester, or term, as applicable, equivalent of the monthly amount of such increased educational assistance or supplemental edu-

cational assistance payable with respect to the individual at the time of the election.

[(8) IRREVOCABILITY OF ELECTIONS.—An election under paragraph (1) or (3)(A) is irrevocable.]

SERVICEMEMBERS CIVIL RELIEF ACT

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) * * *

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

* * * * *

TITLE II—GENERAL RELIEF

* * * * *

208. *Child custody protection.*

TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS, ASSIGNMENT, LEASES, TELEPHONE SERVICE CONTRACTS

* * * * *

Sec. 303A. *Mortgages and trust deeds of certain servicemembers, surviving spouses, and disabled veterans.*

Sec. 303B. *Treatment of relocation for active duty for purposes of mortgage refinancing.*

* * * * *

TITLE I—GENERAL PROVISIONS

* * * * *

SEC. 107. WAIVER OF RIGHTS PURSUANT TO WRITTEN AGREEMENT.

(a) * * *

* * * * *

(e) *OTHER INDIVIDUALS.*—For purposes of this section, the term “servicemember” includes any covered individual under section 303A.

SEC. 108. EXERCISE OF RIGHTS UNDER ACT NOT TO AFFECT CERTAIN FUTURE FINANCIAL TRANSACTIONS.

【Application by】 (a) *APPLICATION OR RECEIPT.*—Application by a servicemember for, or receipt by a servicemember of, a stay, postponement, or suspension pursuant to this Act in the payment of a tax, fine, penalty, insurance premium, or other civil obligation or liability of that servicemember shall not itself (without regard to other considerations) provide the basis for any of the following:

(1) * * *

* * * * *

(b) *ELIGIBILITY.*—In addition to the protections under subsection (a), an individual who is entitled to any right or protection provided under this Act may not be denied or refused credit or be subject to any other action described under paragraphs (1) through (6) of subsection (a) solely by reason of such entitlement.

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TITLE II—GENERAL RELIEF

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SEC. 207. MAXIMUM RATE OF INTEREST ON DEBTS INCURRED BEFORE MILITARY SERVICE.

(a) * * *

* * * * *

(d) *LENDING INSTITUTION REQUIREMENTS.*—

(1) *COMPLIANCE OFFICERS.*—*Each lending institution subject to the requirements of this section shall designate an employee of the institution as a compliance officer who is responsible for ensuring the institution’s compliance with this section and for distributing information to servicemembers whose obligations and liabilities are covered by this section.*

(2) *TOLL-FREE TELEPHONE NUMBER.*—*During any fiscal year, a lending institution subject to the requirements of this section that had annual assets for the preceding fiscal year of \$10,000,000,000 or more shall maintain a toll-free telephone number and shall make such telephone number available on the primary Internet website of the institution.*

[(d)] (e) *DEFINITIONS.*—*In this section:*

(1) * * *

* * * * *

[(e)] (f) *PENALTY.*—*Whoever knowingly violates subsection (a) shall be fined as provided in title 18, United States Code, imprisoned for not more than one year, or both.*

SEC. 208. CHILD CUSTODY PROTECTION.

(a) *RESTRICTION ON TEMPORARY CUSTODY ORDER.*—*If a court renders a temporary order for custodial responsibility for a child based solely on a deployment or anticipated deployment of a parent who is a servicemember, then the court shall require that, upon the return of the servicemember from deployment, the custody order that was in effect immediately preceding the temporary order shall be reinstated, unless the court finds that such a reinstatement is not in the best interest of the child, except that any such finding shall be subject to subsection (b).*

(b) *LIMITATION ON CONSIDERATION OF MEMBER’S DEPLOYMENT IN DETERMINATION OF CHILD’S BEST INTEREST.*—*If a motion or a petition is filed seeking a permanent order to modify the custody of the child of a servicemember, no court may consider the absence of the servicemember by reason of deployment, or the possibility of deployment, as the sole factor in determining the best interest of the child.*

(c) *NO FEDERAL JURISDICTION OR RIGHT OF ACTION OR REMOVAL.*—*Nothing in this section shall create a Federal right of action or otherwise give rise to Federal jurisdiction or create a right of removal.*

(d) *PREEMPTION.*—*In any case where State law applicable to a child custody proceeding involving a temporary order as contemplated in this section provides a higher standard of protection to the rights of the parent who is a deploying servicemember than the rights provided under this section with respect to such temporary order, the appropriate court shall apply the higher State standard.*

(e) *DEPLOYMENT DEFINED.*—In this section, the term “deployment” means the movement or mobilization of a servicemember to a location for a period of longer than 60 days and not longer than 540 days pursuant to temporary or permanent official orders—

- (1) that are designated as unaccompanied;
- (2) for which dependent travel is not authorized; or
- (3) that otherwise do not permit the movement of family members to that location.

TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS, ASSIGNMENT, LEASES, TELEPHONE SERVICE CONTRACTS

* * * * *

SEC. 303A. MORTGAGES AND TRUST DEEDS OF CERTAIN SERVICEMEMBERS, SURVIVING SPOUSES, AND DISABLED VETERANS.

(a) *MORTGAGE AS SECURITY.*—This section applies only to an obligation on real or personal property owned by a covered individual that—

- (1) originated at any time and for which the covered individual is still obligated; and
- (2) is secured by a mortgage, trust deed, or other security in the nature of a mortgage.

(b) *STAY OF PROCEEDINGS.*—

(1) *IN GENERAL.*—In accordance with subsection (d)(1), in a judicial action pending or in a nonjudicial action commenced during a covered time period to enforce an obligation described in subsection (a), a court—

- (A) may, after a hearing and on its own motion, stay the proceedings until the end of the covered time period; and
- (B) shall, upon application by a covered individual, stay the proceedings until the end of the covered time period.

(2) *OBLIGATION TO STOP PROCEEDINGS.*—Upon receipt of notice provided under subsection (d)(1), a mortgagee, trustee, or other creditor seeking to foreclose on real property secured by an obligation covered by this section using any judicial or nonjudicial proceedings shall immediately stop any such proceeding until the end of the covered time period.

(c) *SALE OR FORECLOSURE.*—A sale, judicial or nonjudicial foreclosure, or seizure of property for a breach of an obligation described in subsection (a) that is not stayed under subsection (b) shall not be valid during a covered time period except—

- (1) upon a court order granted before such sale, judicial or nonjudicial foreclosure, or seizure with a return made and approved by the court; or
- (2) if made pursuant to an agreement as provided in section 107.

(d) *NOTICE REQUIRED.*—

(1) *IN GENERAL.*—To be covered under this section, a covered individual shall provide to the mortgagee, trustee, or other creditor written notice that such individual is so covered.

(2) *MANNER.*—Written notice under paragraph (1) may be provided electronically.

(3) *TIME.*—Notice provided under paragraph (1) shall be provided during the covered time period.

(4) *CONTENTS.*—With respect to a servicemember described in subsection (g)(1)(A), notice shall include—

(A) a copy of the servicemember's official military orders, or any notification, certification, or verification from a servicemember's commanding officer that provides evidence of servicemember's eligibility for special pay as described in subsection (g)(1)(A); or

(B) an official notice using a form designed under paragraph (5).

(5) *OFFICIAL FORMS.*—

(A) *IN GENERAL.*—The Secretary of Defense shall design and distribute an official Department of Defense form that can be used by an individual to give notice under paragraph (1).

(B) *USE OF OFFICIAL FORM NOT REQUIRED.*—Failure by any individual to use a form designed or distributed under subparagraph (A) to provide notice shall not make such provision of notice invalid.

(e) *AGGREGATE DURATION.*—The aggregate duration for which a covered individual (except a servicemember described in subsection (g)(1)(A)) may be covered under this section is one year.

(f) *MISDEMEANOR.*—A person who knowingly makes or causes to be made a sale, foreclosure, or seizure of property that is prohibited by subsection (c), or who knowingly attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

(g) *DEFINITIONS.*—In this section:

(1) *COVERED INDIVIDUAL.*—The term “covered individual” means the following individuals:

(A) A servicemember who is or was eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code, during a period of military service.

(B) A servicemember placed on convalescent status, including a servicemember transferred to the temporary disability retired list under section 1202 or 1205 of title 10, United States Code.

(C) A veteran who was medically discharged and retired under chapter 61 of title 10, United States Code, except for a veteran described in section 1207 of such title.

(D) A surviving spouse (as defined in section 101(3) of title 38, United States Code, and in accordance with section 103 of such title) of a servicemember who died while in military service if such spouse is the successor in interest to property covered under subsection (a).

(2) *COVERED TIME PERIOD.*—The term “covered time period” means the following time periods:

(A) With respect to a servicemember who is or was eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code, during a period of military service, during the period beginning on the first day on which the servicemember is or was eligible for such

special pay during such period of military service and ending on the date that is one year after the last day of such period of military service.

(B) With respect to a servicemember described in paragraph (1)(B), during the one-year period beginning on the date on which the servicemember is placed on convalescent status or transferred to the temporary disability retired list under section 1202 or 1205 of title 10, United States Code.

(C) With respect to a veteran described in paragraph (1)(C), during the one-year period beginning on the date of the retirement of such veteran.

(D) With respect to a surviving spouse of a servicemember as described in paragraph (1)(D), during the one-year period beginning on the date on which the spouse receives notice of the death of the servicemember.

SEC. 303B. TREATMENT OF RELOCATION FOR ACTIVE DUTY FOR PURPOSES OF MORTGAGE REFINANCING.

(a) TREATMENT OF ABSENCE FROM RESIDENCE DUE TO ACTIVE DUTY.—

(1) **IN GENERAL.**—Subject to paragraph (2), if, at any time that a servicemember who is the mortgagor under an existing mortgage does not reside in the residence that secures the existing mortgage because of relocation described in subsection (c)(1)(B), such servicemember inquires about or applies for a covered refinancing mortgage, such servicemember shall be, for all purposes relating to the covered refinancing mortgage, including such inquiry or application and eligibility for and compliance with any underwriting criteria and standards regarding such covered refinancing mortgage, considered to occupy the residence that secures the existing mortgage to be paid or prepaid by such covered refinancing mortgage as the principal residence of the servicemember during the period of any such relocation.

(2) **LIMITATION.**—Paragraph (1) shall not apply with respect to a servicemember at any time if, during the five-year period preceding such time, the servicemember entered into a covered refinancing mortgage pursuant to this section.

(b) **MORTGAGES ORIGINATED BEFORE PERIOD MILITARY SERVICE.**—If a covered refinancing mortgage is entered into pursuant to this section with respect to an existing mortgage that originated before the period of the servicemember's military service, such covered refinancing mortgage shall be deemed to be an obligation that originated before the period of the servicemember's military service and for which the servicemember is still obligated for purposes of section 303(a)(1).

(c) **DEFINITIONS.**—In this section:

(1) **EXISTING MORTGAGE.**—The term “existing mortgage” means a mortgage that is secured by a 1- to 4-family residence, including a condominium or a share in a cooperative ownership housing association, that was the principal residence of a servicemember for a period that—

(A) had a duration of 13 consecutive months or longer; and

(B) ended upon the relocation of the servicemember caused by the servicemember receiving military orders for

a permanent change of station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 90 days that did not allow the servicemember to continue to occupy such residence as a principal residence.

(2) COVERED REFINANCING MORTGAGE.—*The term “covered refinancing mortgage” means any mortgage—*

(A) that is made for the purpose of paying or prepaying, and extinguishing, the outstanding obligations under an existing mortgage or mortgages; and

(B) that is secured by the same residence that secured such existing mortgage or mortgages.

* * * * *

TITLE VIII—CIVIL LIABILITY

SEC. 801. ENFORCEMENT BY THE ATTORNEY GENERAL.

(a) * * *

(b) RELIEF.—*In a civil action commenced under subsection (a), the court may—*

(1) * * *

* * * * *

[(3) may, to vindicate the public interest, assess a civil penalty—

[(A) in an amount not exceeding \$55,000 for a first violation; and

[(B) in an amount not exceeding \$110,000 for any subsequent violation.]

(3) *to vindicate the public interest, assess a civil penalty—*

(A) with respect to a violation of section 207, 303, or 303A regarding real property—

(i) in an amount not exceeding \$110,000 for a first violation; and

(ii) in an amount not exceeding \$220,000 for any subsequent violation; and

(B) with respect to any other violation of this Act—

(i) in an amount not exceeding \$55,000 for a first violation; and

(ii) in an amount not exceeding \$110,000 for any subsequent violation.

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