

RYAN KULES SPECIALLY ADAPTIVE HOUSING  
IMPROVEMENT ACT OF 2019

JULY 22, 2019.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 3504]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3504) to amend title 38, United States Code, to provide for improvements to the specially adapted housing program of the Department of Veterans Affairs, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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The amendments are as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Ryan Kules Specially Adaptive Housing Improvement Act of 2019”.

**SEC. 2. PRIORITY IN AWARD OF SPECIALLY ADAPTED HOUSING GRANTS TO SERIOUSLY ILL VETERANS.**

(a) IN GENERAL.—Section 2101 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(d) PRIORITY FOR SERIOUSLY ILL VETERANS.—(1) In providing assistance under this section, the Secretary shall give priority to seriously ill veterans.

“(2) In this section, the term ‘seriously ill veteran’ shall have the meaning given such term by the Secretary.”.

(b) DEFINITION OF SERIOUSLY ILL VETERAN.—

(1) IN GENERAL.—By not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall—

(A) determine the meaning of the term “seriously ill veteran” for purposes of subsection (d) of section 2101 of title 38, United States Code, as added by subsection (a); and

(B) submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives the meaning of such term as so determined.

(2) APPLICABILITY.—The definition of “seriously ill veteran” as determined under paragraph (1) shall apply for purposes of such subsection (d) beginning on the date that is 30 days after the date on which the Secretary submits to the Committees on Veterans’ Affairs of the Senate and House of Representatives the definition of such term as so determined.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2020, and apply with respect to assistance provided on or after that date.

**SEC. 3. INCREASE IN AMOUNTS OF ASSISTANCE PROVIDED.**

(a) INCREASE OF NUMBER OF GRANTS PER VETERAN.—Section 2102(d)(3) of such title is amended by striking “three” and inserting “six”.

(b) INCREASE IN NUMBER OF APPLICATIONS AUTHORIZED TO BE APPROVED.—Section 2101(a)(4) of such title is amended by striking “30 applications” and inserting “120 applications”.

(c) INCREASE IN MAXIMUM AMOUNT OF ASSISTANCE FOR ADAPTATION TO VETERAN’S RESIDENCE.—Section 2102(b)(2) of such title is amended by striking “\$12,000” and inserting “\$19,733”.

(d) INCREASE IN AGGREGATE AMOUNT OF ASSISTANCE FOR ACQUISITION OF HOUSING WITH SPECIAL FEATURES.—Section 2102(d)(1) of such title is amended by striking “\$63,780” and inserting “\$98,492”.

(e) INCREASE IN AGGREGATE AMOUNT OF ASSISTANCE FOR ADAPTATIONS TO VETERANS’ RESIDENCES.—Section 2102(d)(2) of such title is amended by striking “\$12,756” and inserting “\$19,733”.

(f) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on October 1, 2020. The amendments made by subsections (c) and (d) shall apply with respect to individuals who have not received the maximum amount of assistance under section 2101 of title 38, United States Code, before such date.

**SEC. 4. PROVISION OF ADDITIONAL AMOUNTS OF SPECIALLY ADAPTED HOUSING ASSISTANCE FOR CERTAIN VETERANS.**

Section 2102 of such title is amended by adding at the end the following new subsection:

“(f)(1) Notwithstanding the aggregate amounts specified in subsection (d), a covered veteran may apply for and receive an additional amount of assistance under subsection (a) or (b) of section 2101 of this title in an amount that does not exceed half of the amount specified in subsection (d).

“(2) In this subsection, a covered veteran is a veteran who—

“(A) is described in section 2101(a)(2) of this title;

“(B) first receives assistance under this chapter on or after October 1, 2020;

“(C) as of the date of the veteran’s application for assistance under paragraph (1), most recently received assistance under this chapter more than ten years before such date; and

“(D) lives in a home that the Secretary determines does not have adaptations that are reasonably necessary because of the veteran’s disability.”.

**SEC. 5. IMPROVEMENT TO WORK-STUDY ALLOWANCE PROGRAM.**

(a) PAYMENT OF ALLOWANCE.—Subsection (a) of section 3485 of title 38, United States Code, is amended—

(1) in paragraph (1), by striking “Individuals” and inserting “In accordance with paragraph (4), individuals”;

(2) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

(3) by inserting after paragraph (3) the following new paragraph:

“(4)(A) The Secretary shall carry out this section by providing to educational institutions an annual amount for the institution to use in paying work-study allowance under paragraph (1) to individuals enrolled at the institution.

“(B) With respect to an educational institution that participated in the work-study program under this section during the academic year beginning August 1, 2018, the Secretary shall determine the annual amount to provide to the educational institution under subparagraph (A) as follows:

“(i) For the academic year beginning August 1, 2020, the amount shall be the total amount the Secretary paid under this section to individuals enrolled at such educational institution during the academic year beginning August 1, 2018.

“(ii) Except as provided by subparagraph (D)(ii), for each academic year beginning on or after August 1, 2021, the amount shall be the total amount the educational institution paid under this section for work-study allowance to individuals enrolled at such educational institution during the previous academic year in which individuals participated in the work-study program.

“(C) With respect to an educational institution that did not participate in the work-study program under this section during the academic year beginning August 1, 2018, the Secretary shall determine the annual amount to provide to the educational institution under subparagraph (A) as follows:

“(i) For the first academic year in which the educational institution participates in the work-study program beginning on or after August 1, 2020, the amount shall be an amount the Secretary determines appropriate based on amounts provided to similar educational institutions pursuant to subparagraph (B).

“(ii) Except as provided by subparagraph (D)(ii), for each academic year occurring after the academic year specified in clause (i), the amount shall be the total amount the educational institution paid under this section for work-study allowance to individuals enrolled at such educational institution during the previous academic year in which individuals enrolled at such educational institution participated in the work-study program.

“(D)(i) Except as provided in clause (ii), if the Secretary provides an annual amount to an educational institution under subparagraph (B) or (C) that is more than the total amount the educational institution pays to individuals under paragraph (1), the educational institution shall return to the Secretary the unpaid amount and the Secretary shall transfer such amount into the general fund of the Treasury.

“(ii) If the annual amount provided to an educational institution under subparagraph (B) or (C) is more, but less than 25 percent more, than the total amount the educational institution pays to individuals under paragraph (1), and the educational institution plans to participate in the work-study program under this section during the subsequent academic year, the educational institution may retain the amount of the overpayment if the educational institution notifies the Secretary of the amount of the overpayment and the intention of the educational institution to retain such amount. Any amount retained by an educational institution under this clause may only be used by the educational institution to provide work-study allowance to individuals enrolled at the educational institution.

“(iii) At any time an educational institution may request the Secretary to increase the annual amount that the Secretary provides the educational institution under subparagraph (B) or (C).

“(E) Pursuant to section 3690(c), section 3693, and other provisions of chapter 36 of this title, the Secretary shall ensure that educational institutions carry out the work-study allowance program in compliance with this section.”

(b) CONFORMING AMENDMENT.—Subsection (e)(1) of such section is amended by striking “subsection (a)(4)” and inserting “subsection (a)(5)”.

(c) APPLICATION.—The amendments made by this section shall apply with respect to a quarter, semester, or term, as applicable, commencing on or after August 1, 2020.

**SEC. 6. EXPANSION OF ELIGIBILITY FOR FRY SCHOLARSHIP TO CHILDREN AND SPOUSES OF CERTAIN DECEASED MEMBERS OF THE ARMED FORCES.**

(a) **IN GENERAL.**—Subsection (b) of section 3311 of title 38, United States Code, is amended—

- (1) by redesignating paragraph (10) as paragraph (12); and
- (2) by inserting after paragraph (9) the following new paragraphs (10) and (11):

“(10) An individual who is the child or spouse of a person who, on or after September 11, 2001, dies in line of duty while serving on duty other than active duty as a member of the Armed Forces.

“(11) An individual who is the child or spouse of a member of the Selected Reserve who dies on or after September 11, 2001—

- “(A) from a service-connected disability; and
- “(B) not later than four years after the date of the last discharge or release of that member from active duty or active duty for training.”.

(b) **APPLICABILITY DATE.**—The amendments made by subsection (a) apply with respect to a quarter, semester, or term, as applicable, commencing on or after August 1, 2020.

(c) **CONFORMING AMENDMENTS.**—

(1) Subsection (f) of such section is amended by striking “paragraph (9)” each place it appears and inserting “paragraphs (9), (10), and (11)”.

(2) Section 3322 of such title is amended—

(A) in subsection (e), by striking both “sections 3311(b)(9) and 3319” and inserting “section 3319 and paragraph (9), (10), or (11) of section 3311 of this title”;

(B) in subsection (f), by striking “section 3311(b)(9)” and inserting “paragraph (9), (10), or (11) of section 3311 of this title”; and

(C) in subsection (h)(2), by striking “either section 3311(b)(9) or chapter 35” and inserting “either chapter 35 or paragraph (9), (10), or (11) of section 3311”.

**SEC. 7. TREATMENT OF CERTAIN PREPARATORY COURSES AS PROGRAMS OF EDUCATION FOR PURPOSES OF DEPARTMENT OF VETERANS AFFAIRS EDUCATIONAL ASSISTANCE PROGRAMS.**

(a) **IN GENERAL.**—Chapter 33 of title 38, United States Code, is amended by inserting after section 3315A the following new section:

**“§ 3315B. Preparatory courses for licensure, certification, or national tests**

“(a) **IN GENERAL.**—An individual entitled to educational assistance under this chapter shall also be entitled to payment for a preparatory course for a licensing or certification test that is required or used to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession.

“(b) **AMOUNT.**—The amount of educational assistance payable under this chapter for a course described in subsection (a) is the lesser of—

- “(1) the fee charged for the course; or
- “(2) the amount of entitlement available to the individual under this chapter at the time of payment for the course under this section.

“(c) **CHARGE AGAINST ENTITLEMENT.**—The number of months of entitlement charged an individual under this chapter for a course described in subsection (a) shall be pro-rated based on the actual amount of the fee charged for the course relative to the rate for 1 month payable—

- “(1) for the academic year beginning on August 1, 2020, \$1,460; or
- “(2) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subsection, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h).”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3315A the following new item:

“3315B. Preparatory courses for licensure, certification, or national tests.”.

(c) **CONFORMING AMENDMENTS.**—Section 3532(g) of title 38, United States Code, is amended—

(1) in paragraph (1), by inserting “or a preparatory course described in section 3315B(a) of this title” after “or national test providing an opportunity for course credit at institutions of higher learning described in section 3501(a)(5) of this title”; and

(2) in paragraphs (2) and (3), by inserting “or preparatory course” after “test” everywhere it appears.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to months beginning after the date of the enactment of this Act.

**SEC. 8. ADJUSTMENT OF LOAN FEES.**

Section 3729(b)(2) of title 38, United States Code, is amended by striking the loan fee table and inserting the following:

| “Type of loan   | Active duty<br>veteran | Reservist | Other<br>obligor |
|---|------------------------|-----------|------------------|
| (A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020)   | 2.15                   | 2.40      | NA               |
| (A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before October 1, 2027)  | 2.30                   | 2.30      | NA               |
| (A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2027, and before October 1, 2029) | 2.15                   | 2.15      | NA               |
| (A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2029)                              | 1.40                   | 1.40      | NA               |
| (B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020)                               | 3.30                   | 3.30      | NA               |
| (B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before October 1, 2027)                              | 3.60                   | 3.60      | NA               |
| (B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2027, and before October 1, 2029)                             | 3.30                   | 3.30      | NA               |
| (B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2029)  | 1.25                   | 1.25      | NA               |
| (C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020)  | 1.50                   | 1.75      | NA               |
| (C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before October 1, 2027)  | 1.65                   | 1.65      | NA               |
| (C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2027, and before October 1, 2029)   | 1.50                   | 1.50      | NA               |

| “Type of loan  | Active duty<br>veteran | Reservist | Other<br>obligor |
|--|------------------------|-----------|------------------|
| (C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2029)                               | 0.75                   | 0.75      | NA               |
| (D)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020)                                    | 1.25                   | 1.50      | NA               |
| (D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before October 1, 2027)  | 1.40                   | 1.40      | NA               |
| (D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2027, and before October 1, 2029) | 1.25                   | 1.25      | NA               |
| (D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2029)                              | 0.50                   | 0.50      | NA               |
| (E) Interest rate reduction refinancing loan   | 0.50                   | 0.50      | NA               |
| (F) Direct loan under section 3711   | 1.00                   | 1.00      | NA               |
| (G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)   | 1.00                   | 1.00      | NA               |
| (H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)  | 1.25                   | 1.25      | NA               |
| (I) Loan assumption under section 3714   | 0.50                   | 0.50      | 0.50             |
| (J) Loan under section 3733(a)   | 2.25                   | 2.25      | 2.25”.           |

**SEC. 9. AUTHORITY OF SECRETARY OF VETERANS AFFAIRS TO ASSIST BLIND VETERANS WHO HAVE NOT LOST USE OF A LEG IN ACQUIRING SPECIALLY ADAPTED HOUSING.**

Section 2101 of title 38, United States Code, is amended—

(1) in subsection (a)(2)(B)(ii)—

(A) in the matter preceding subclause (I), by striking “due to—” and inserting “due to blindness in both eyes, having central visual acuity of 20/200 or less in the better eye with the use of a standard correcting lens. For the purposes of this clause, an eye with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.”; and

(B) by striking subclauses (I) and (II); and

(2) in subsection (b)(2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

Amend the title so as to read:

A bill to amend title 38, United States Code, to provide for improvements to the specially adapted housing program and educational assistance programs of the Department of Veterans Affairs, and for other purposes.

PURPOSE AND SUMMARY

H.R. 3504, the “Ryan Kules Specially Adaptive Housing Improvement of 2019,” was introduced by Representative Gus Bilirakis, the Ranking Member of the Subcommittee on Economic Opportunity, on June 29, 2019. Representative Mike Levin, the Chairman of the Subcommittee on Economic Opportunity, joined Mr. Bilirakis as an original cosponsor of the legislation. H.R. 3504 makes several improvements to the specially adapted (SAH) grant program administered by the Department of Veterans’ Affairs (VA). The legislation does this by prioritizing grants to seriously ill veterans, raising the cap on the total number of grants issued to a veteran, increasing

the total applications authorized for a year from 30 to 120, increasing the maximum benefit from \$63,780 to \$98,492, and allowing veterans to reapply for SAH grants ten years after they exhaust their grants.

H.R. 3504, as amended, would authorize institutions of higher learning to directly pay participants in the VA work-study program, authorize veterans to use their education entitlement to take preparatory courses for vocational or professional licensure, increase the VA home loan funding fees from 2022 to 2027, and expand eligibility for the Fry Scholarship to include children and spouses of reservist and guardsmen who died in the line of duty or from service connected injuries or illness within four years of the deceased veteran's last separation date.

H.R. 3504, as amended, would also expand the eligibility for able-bodied blind veterans to receive SAH program grants.

#### BACKGROUND AND NEED FOR LEGISLATION

Prior to the creation of the Veterans Administration in 1930, Congress understood the need to provide care for disabled veterans. In 1865, Congress created the National Home for Disabled Volunteer Soldiers to provide support for veterans of the Civil War, and ensuing wars, who could not support themselves due to disability. The National Home for Disabled Volunteer Soldiers was the first Congressionally mandated specially adapted facilities for veterans. The Specially Adapted Housing (SAH) Program, which allowed veterans to purchase homes with accessibility modification was introduced in 1948 (P.L. 80-702) after the inception of the Veterans Administration. The SAH program allowed the Veterans Administration to provide more support for disabled veterans around the country without the veterans having to move a domiciliary. The program initially targeted veterans with a total service-connected disability from the loss of or use of both lower extremities.

Over the years, Congress amended the law to expand the range of disabilities eligible for assistance. In 1959, Congress expanded eligibility to veterans who were blind but still have use of one leg (P.L. 86-239), to those who require the aid of braces, crutches, canes, or a wheelchair for mobility (P.L. 86-239), to those who lost the use of one upper extremity (P.L. 95-117), and to those with severe burn injuries that reduce mobility in two or more extremities (P.L. 110-289).

Thanks to advancements in medical technology, more veterans are surviving the grave injuries and severe trauma from combat zones, but many who survive have life-changing disabilities that evolve and change over time. With proper medical treatment veterans can survive for decades with their disabilities, like retired Army Captain Ryan Kules, the namesake of H.R. 3504.

H.R. 3504 seeks to correct the gaps in the SAH program that Kules and many other disabled veterans have encountered. Under the current statute, section 2101, title 38 of U.S. Code (U.S.C), veterans who meet the SAH grants cap when modifying their home cannot be awarded additional SAH grants to modify another house should they move or add any additional modifications to their current residence.

The Committee is concerned that Congress is failing in its task to provide adequate housing for disabled veterans. Currently, the

SAH program, administered by the VA Loan Guaranty Service, provides grants capped at only \$64,000 and limits the number of grants to modify a home to accommodate a veteran's service-connected disabilities (38 U.S.C section 2102(d)(3)).

H.R. 3504 would authorize the Secretary of Veterans Affairs to increase funding for the SAH grant program, increase the number of authorized SAH program grants, prioritize severely ill and disabled veterans in the SAH grant application process, expand eligibility for blind veterans who have two working legs, and allow veterans to reapply for SAH grant after ten years.

*Section 5. Improvement to work-study allowance program*

For years, the VA work-study program, established by P.L. 92-540, has paired veterans with jobs in their school or at local VA facilities, allowing them to focus on their studies and earn extra money. However, VA's increasing inability to process work-study benefits in a consistent or timely manner means that some students are now waiting weeks without getting paid for their work.

This section amends section 3485, title 38, U.S.C. to authorize VA to pay schools a lump sum for all students participating in the VA work-study program and requires that schools then pay students for participating in the VA work-study program. This aligns the VA work-study program with the federal work-study program administered by the Department of Education (P.L. 89-329), which has the same funding disbursement method.

*Section 6. Expansion of eligibility for Fry Scholarship to children and spouses of certain deceased members of the Armed Forces*

Currently section 3311(b), title 38, U.S.C does not have parity between children and spouses of active duty members of the Armed Forces and children and spouses of reservist and members of the national guardsmen in terms of eligibility for the Fry Scholarship. Dependents of reservist and national guardsmen who die while on duty, but not while on active duty are not eligible for the Fry Scholarship. Further, dependents of reservist and national guardsmen who die from service-connected injuries and illnesses within four years from their last discharge date are ineligible for Fry Scholarship, despite active duty military dependents being eligible for the Fry Scholarship in the former and latter scenarios.

This section creates parity between children and spouses of active duty members of the Armed Forces and children and spouses of reservists and members of the national guard.

*Section 7. Treatment of certain preparatory courses as program of education for purposes of Department of Veterans Affairs Educational Assistance Programs*

This section amends Chapter 33 of title 38 U.S.C. to allow the benefits to cover the cost of approved preparatory courses for professional license and certification exams. By covering these courses under the GI Bill, veterans and their eligible family members will have better access to the support they need to enter in-demand careers in health care, teaching, technology, and other fields that may require government-recognized licenses and certifications.



*Section 8. Adjustment of loan fees*

This section amends Section 3729(b)(2) to extend the existing VA housing loans fees from 2022 to 2027.

*Section 9. Authority of Secretary of Veterans Affairs to assist blind veterans who have not lost use of a leg in acquiring Specially Adapted Housing*

Currently, only veterans who meet one or more seven narrow categories of disability are eligible for SAH grants. In 38 U.S.C. section 2101, blind veterans are only eligible for grants if they have also lost the use of one or both legs. This means that VA must turn away blind veterans in need of housing assistance for the sole reason that they have use of both legs.

This section alters section 2101, title 38, U.S.C to expand the eligibility for able bodied blind veterans to receive SAH program resources.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—the following hearings and meetings were used to develop or consider H.R. 3504.

On June 20, 2019, the Committee on Veterans' Affairs conducted a legislative hearing on various bills introduced during the 116th Congress, including H.R. 3504.

The following witnesses testified:

The Honorable Gilbert Cisneros, Member of Congress. The Honorable Seth Moulton, Member of Congress. The Honorable Luis Correa, Member of Congress. The Honorable Earl Blumenauer, Member of Congress. The Honorable Phil Roe, Member of Congress. The Honorable Scott Tipton, Member of Congress. Mr. Adrian Atizado, Deputy National Legislative Director, Disabled American Veterans. Mr. Travis Horr, Director, Government Affairs, Iraq and Afghanistan Veterans of America. Dr. Igor Grant, M.D., F.R.C.P.(C), Director, Center for Medicinal Cannabis Research, University of California. Mr. Carlos Fuentes, Director, National Legislative Service, Veterans of Foreign Wars. Mr. Derek Fronabarger, Director, Government Affairs, Wounded Warrior Project. Mr. Larry Mole, BA, PharmD, Chief Consultant, Population Health Services, Patient Care Services, Veterans Health Administration.

Statements for the record were submitted by:

Ms. Thelma Roach-Serry, BSN, RN, NE-BC, President, Nurses Organization of Veterans Affairs (NOVA). Mr. Eric Goepel, Founder & CEO, Veterans Cannabis Coalition (VCC). Mr. Morgan D. Brown, National Legislative Director, Paralyzed Veterans of America (PVA). Mr. J. David Cox, Sr., National President, American Federation of Government Employees (AFGE). Mr. Randy Erwin, National President, National Federation of Federal Employees (NFFE). Mr. William Attig, Executive Director, Union Veterans Council, AFL-CIO. Mr. Brett W. Copeland, Executive Director, Veterans Healthcare Policy Institute. Mr. David J. Holway, National Association of Government Employees (NAGE). Mr. Justin Strekal, Political Director, National Organization for the Reform of Marijuana Laws—(NORML).

## SUBCOMMITTEE CONSIDERATION

H.R. 3504 was not considered in subcommittee.

## COMMITTEE CONSIDERATION

On July 11, 2019, the Committee on Veterans' Affairs met in an open markup session, a quorum being present, and ordered H.R. 3504, as amended, reported favorably to the House of Representatives by voice vote. During the July 11, 2019 consideration, the Committee considered an A.N.S. to H.R. 3504 offered by Rep. Bilirakis of Florida. An amendment to the A.N.S. to H.R. 3504 offered by Rep. Sablan of the Northern Mariana Islands was adopted by voice vote. An amendment to the A.N.S. to H.R. 3504 offered by Rep. Luria of Virginia was adopted by voice vote. The A.N.S. to H.R. 3504 was adopted by voice vote, and H.R. 3504, as amended was agreed to by voice vote.

## COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report the legislation and amendments thereto. Mr. Sablan's amendment to H.R. 3504 to add a new entitlement for the payment of preparatory courses was agreed to by voice vote. Ms. Luria's amendment to H.R. 3504 to expand SAH benefits to blind veterans who have not lost use of a leg, was agreed to by voice vote. Mr. Bilirakis's A.N.S. was agreed to by voice vote, and a motion by Ranking Member Phil Roe of Tennessee to report H.R. 3504, as amended favorably to the House of Representatives was agreed to by voice vote. There were no recorded votes on the consideration of amendments or on reporting H.R. 3504 as amended to the House.

## COMMITTEE OVERSIGHT FINDINGS

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

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are to improve the living conditions of disabled veterans by increasing funding and eligibility to the SAH program, increase economic opportunities for children and spouses of decreased service members by expanding eligibility of the Fry Scholarship, increase economic opportunities for veterans by authorizing veterans to use educational entitlements to pay for vocational and professional licensure preparatory classes, and reduce financial instability of student veterans by authorizing higher education institutions to individuals participating in the VA work-study program.

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. 3504, 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. 3504, 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

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 3504, 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. 3504, as amended.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 3504, as amended, 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 H.R. 3504, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the legislative branch.

#### STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 3504, as amended, 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 clause 3(c)(5) of rule XIII, the Committee estimates that H.R. 3504 contains rulemaking to require the Secretary to prescribe regulations regarding the definition of “seriously ill veteran.”

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1: Short title:* Section one would establish the short title “Ryan Kules Specially Adaptive Housing Improvement Act of 2019”.

*Section 2:* Would prioritize the awarding of SAH grants to “seriously ill veterans”. The Secretary must define the term “seriously ill veterans” and report the definition to the committees of jurisdiction.

The effective date of this section is October 1, 2020.

*Section 3:* Would increase the number of grants veterans can apply for from 3 to 6. It would increase the number of applications that can be approved from 30 to 120. It would increase the maximum amount of assistance for acquiring a residence already adapted with special features from \$12,000 to \$19,733. It would also increase the aggregate amount of assistance for the acquisition of housing with accessible features from \$63,780 to \$98,462. Finally, it would increase the aggregate amount of assistance for adaptations to a residence owned by a veteran from \$12,756 to \$19,733. The effective date of this section is October 1, 2020.

*Section 4:* Would allow veterans who first receive a SAH grant on or after October 1, 2020 to reapply for SAH grants after ten years, as long as their existing residence does not meet their needs.

*Section 5:* Would authorize schools, rather than VA, to make payments to students for the work they are performing under the VA work-study program. VA would provide the schools with batch funds to use specifically for this purpose.

The effective date of this section is August 1, 2020 and applies to semester, quarters, or terms starting on or after August 1, 2020.

*Section 6:* Would expand eligibility of the Fry Scholarship to children and spouses of a reservist or national guardsmen who died in the line of duty or from a service-connected disability within four years after their last discharge date.

The effective date of this section is August 1, 2020 and applies to semester, quarters, or terms starting on or after August 1, 2020.

*Section 7:* Would authorize veterans to use educational benefits to pay for preparatory courses for vocational or professional licensure. The amount of entitlement expended at the rate of one month per every \$1,460 spent on the course.

*Section 8:* Would increase VA housing loans fees from 2022 to 2027.

*Section 9:* Would expand eligibility of the SAH grant program to include veterans who meet the Social Security Administration definition of blindness and have the use of all their extremities. Changes the title of the bill to “A bill to amend title 38, United States Code, to provide for improvements to the specially adapted housing program and educational assistance programs of the Department of Veterans Affairs, and for other purposes.”

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

### TITLE 38, UNITED STATES CODE

\* \* \* \* \*

### PART II—GENERAL BENEFITS

\* \* \* \* \*

### CHAPTER 21—SPECIALLY ADAPTED HOUSING FOR DISABLED VETERANS

\* \* \* \* \*

#### **§ 2101. Acquisition and adaptation of housing: eligible veterans**

(a) ACQUISITION OF HOUSING WITH SPECIAL FEATURES.—(1) Subject to paragraphs (3) and (4), the Secretary may assist a disabled veteran described in paragraph (2) in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran’s disability, and necessary land therefor.

(2)(A) A veteran is described in this paragraph if the veteran—

(i) is entitled to compensation under chapter 11 of this title for a permanent and total service-connected disability that meets any of the criteria described in subparagraph (B); or

(ii) served in the Armed Forces on or after September 11, 2001, and is entitled to compensation under chapter 11 of this title for a permanent service-connected disability that meets the criterion described in subparagraph (C).

(B) The criteria described in this subparagraph are as follows:

(i) The disability is due to the loss, or loss of use, of both lower extremities such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.

(ii) The disability is **【due to—】** *due to blindness in both eyes, having central visual acuity of 20/200 or less in the better eye with the use of a standard correcting lens. For the purposes of this clause, an eye with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.*

**【(I) blindness in both eyes, having only light perception, plus**

**【(II) loss or loss of use of one lower extremity.】**

(iii) The disability is due to the loss or loss of use of one lower extremity together with—

(I) residuals of organic disease or injury; or

(II) the loss or loss of use of one upper extremity,

which so affect the functions of balance or propulsion as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.

(iv) The disability is due to the loss, or loss of use, of both upper extremities such as to preclude use of the arms at or above the elbows.

(v) The disability is due to a severe burn injury (as determined pursuant to regulations prescribed by the Secretary).

(C) The criterion described in this subparagraph is that the disability—

(i) was incurred on or after September 11, 2001; and

(ii) is due to the loss or loss of use of one or more lower extremities which so affects the functions of balance or propulsion as to preclude ambulating without the aid of braces, crutches, canes, or a wheelchair.

(3) The regulations prescribed under subsection (d) shall require that assistance under paragraph (1) may be provided to a veteran only if the Secretary finds that—

(A) it is medically feasible for the veteran to reside in the proposed housing unit and in the proposed locality;

(B) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and

(C) the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

(4) In any fiscal year, the Secretary may not approve more than **【30 applications】** *120 applications* for assistance under paragraph (1) for disabled veterans described in paragraph (2)(A)(ii).

(b) ADAPTATIONS TO RESIDENCE OF VETERAN.—(1) Subject to paragraph (3), the Secretary shall assist any disabled veteran described in paragraph (2) (other than a veteran who is eligible for assistance under subsection (a))—

(A) in acquiring such adaptations to such veteran's residence as are determined by the Secretary to be reasonably necessary because of such disability; or

(B) in acquiring a residence already adapted with special features determined by the Secretary to be reasonably necessary for the veteran because of such disability.

(2) A veteran is described in this paragraph if the veteran is entitled to compensation under chapter 11 of this title for a service-connected disability that meets any of the following criteria:

【(A) The disability is due to blindness in both eyes, having central visual acuity of 20/200 or less in the better eye with the use of a standard correcting lens. For the purposes of this subparagraph, an eye with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.】

【(B)】 (A) A permanent and total disability that includes the anatomical loss or loss of use of both hands.

【(C)】 (B) A permanent and total disability that is due to a severe burn injury (as so determined).

(3) Assistance under paragraph (1) may be provided only to a veteran who the Secretary determines—

(A) is residing in and reasonably intends to continue residing in a residence owned by such veteran or by a member of such veteran's family; or

(B) if the veteran's residence is to be constructed or purchased, will be residing in and reasonably intends to continue residing in a residence owned by such veteran or by a member of such veteran's family.

(c) REGULATIONS.—Assistance under this section shall be provided in accordance with such regulations as the Secretary may prescribe.

(d) *PRIORITY FOR SERIOUSLY ILL VETERANS.*—(1) *In providing assistance under this section, the Secretary shall give priority to seriously ill veterans.*

(2) *In this section, the term "seriously ill veteran" shall have the meaning given such term by the Secretary.*

\* \* \* \* \*

## § 2102. Limitations on assistance furnished

(a) The assistance authorized by section 2101(a) of this title shall be afforded under one of the following plans, at the option of the individual—

(1) where the individual elects to construct a housing unit on land to be acquired by such individual, the Secretary shall pay not to exceed 50 percent of the total cost to the individual of (A) the housing unit and (B) the necessary land upon which it is to be situated;

(2) where the individual elects to construct a housing unit on land acquired by such individual prior to application for assistance under this chapter, the Secretary shall pay not to exceed the smaller of the following sums: (A) 50 percent of the total cost to the individual of the housing unit and the land necessary for such housing unit, or (B) 50 percent of the cost to the individual of the housing unit plus the full amount of the unpaid balance, if any, of the cost to the individual of the land necessary for such housing unit;

(3) where the individual elects to remodel a dwelling which is not adapted to the requirements of such individual's disability, acquired by such individual prior to application for assistance under this chapter, the Secretary shall pay not to ex-

ceed (A) the cost to the individual of such remodeling; or (B) 50 percent of the cost to the individual of such remodeling; plus the smaller of the following sums: (i) 50 percent of the cost to the individual of such dwelling and the necessary land upon which it is situated, or (ii) the full amount of the unpaid balance, if any, of the cost to the individual of such dwelling and the necessary land upon which it is situated; and

(4) where the individual has acquired a suitable housing unit, the Secretary shall pay not to exceed the smaller of the following sums: (A) 50 percent of the cost to the individual of such housing unit and the necessary land upon which it is situated, or (B) the full amount of the unpaid balance, if any, of the cost to the individual of such housing unit and the necessary land upon which it is situated.

(b) Except as provided in section 2104(b) of this title, the assistance authorized by section 2101(b) of this title shall be limited to the lesser of—

(1) the actual cost, or, in the case of an individual acquiring a residence already adapted with special features, the fair market value, of the adaptations determined by the Secretary under such section 2101(b) to be reasonably necessary, or

(2) ~~[\$12,000]~~ \$19,733.

(c) The amount of assistance afforded under subsection (a) for an individual authorized assistance by section 2101(a) of this title shall not be reduced by reason that title to the housing unit, which is vested in the individual, is also vested in any other person, if the individual resides in the housing unit.

(d)(1) The aggregate amount of assistance available to an individual under section 2101(a) of this title shall be limited to ~~[\$63,780]~~ \$98,492.

(2) The aggregate amount of assistance available to an individual under section 2101(b) of this title shall be limited to ~~[\$12,756]~~ \$19,733.

(3) No veteran may receive more than ~~[three]~~ six grants of assistance under this chapter.

(e)(1) Effective on October 1 of each year (beginning in 2009), the Secretary shall increase the amounts described in subsection (b)(2) and paragraphs (1) and (2) of subsection (d) in accordance with this subsection.

(2) The increase in amounts under paragraph (1) to take effect on October 1 of a year shall be by an amount of such amounts equal to the percentage by which—

(A) the residential home cost-of-construction index for the preceding calendar year, exceeds

(B) the residential home cost-of-construction index for the year preceding the year described in subparagraph (A).

(3) The Secretary shall establish a residential home cost-of-construction index for the purposes of this subsection. The index shall reflect a uniform, national average change in the cost of residential home construction, determined on a calendar year basis. The Secretary may use an index developed in the private sector that the Secretary determines is appropriate for purposes of this subsection.

*(f)(1) Notwithstanding the aggregate amounts specified in subsection (d), a covered veteran may apply for and receive an additional amount of assistance under subsection (a) or (b) of section*



2101 of this title in an amount that does not exceed half of the amount specified in subsection (d).

(2) In this subsection, a covered veteran is a veteran who—

(A) is described in section 2101(a)(2) of this title;

(B) first receives assistance under this chapter on or after October 1, 2020;

(C) as of the date of the veteran’s application for assistance under paragraph (1), most recently received assistance under this chapter more than ten years before such date; and

(D) lives in a home that the Secretary determines does not have adaptations that are reasonably necessary because of the veteran’s disability.

\* \* \* \* \*

**PART III—READJUSTMENT AND RELATED BENEFITS**

\* \* \* \* \*

**CHAPTER 33—POST-9/11 EDUCATIONAL ASSISTANCE**

\* \* \* \* \*

SUBCHAPTER II—EDUCATIONAL ASSISTANCE

Sec.

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

\* \* \* \* \*

3315B. Preparatory courses for licensure, certification, or national tests.

\* \* \* \* \*

SUBCHAPTER II—EDUCATIONAL ASSISTANCE

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

(a) ENTITLEMENT.—Subject to subsections (d) and (e), each individual described in subsection (b) is entitled to educational assistance under this chapter.

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

(1) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 36 months on active duty in the Armed Forces (including service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

(i) continues on active duty; or

(ii) is discharged or released from active duty as described in subsection (c).

(2) An individual who—

(A) commencing on or after September 11, 2001, serves at least 30 continuous days on active duty in the Armed Forces; and

- (B) after completion of service described in subparagraph (A), is discharged or released from active duty in the Armed Forces for a service-connected disability.
- (3) An individual who—
- (A) commencing on or after September 11, 2001, serves an aggregate of at least 30 months, but less than 36 months, on active duty in the Armed Forces (including service on active duty in entry level and skill training); and
- (B) after completion of service described in subparagraph (A)—
- (i) continues on active duty for an aggregate of less than 36 months; or
- (ii) before completion of service on active duty of an aggregate of 36 months, is discharged or released from active duty as described in subsection (c).
- (4) An individual who—
- (A) commencing on or after September 11, 2001, serves an aggregate of at least 24 months, but less than 30 months, on active duty in the Armed Forces (including service on active duty in entry level and skill training); and
- (B) after completion of service described in subparagraph (A)—
- (i) continues on active duty for an aggregate of less than 30 months; or
- (ii) before completion of service on active duty of an aggregate of 30 months, is discharged or released from active duty as described in subsection (c).
- (5) An individual who—
- (A) commencing on or after September 11, 2001, serves an aggregate of at least 18 months, but less than 24 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and
- (B) after completion of service described in subparagraph (A)—
- (i) continues on active duty for an aggregate of less than 24 months; or
- (ii) before completion of service on active duty of an aggregate of 24 months, is discharged or released from active duty as described in subsection (c).
- (6) An individual who—
- (A) commencing on or after September 11, 2001, serves an aggregate of at least 12 months, but less than 18 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and
- (B) after completion of service described in subparagraph (A)—
- (i) continues on active duty for an aggregate of less than 18 months; or
- (ii) before completion of service on active duty of an aggregate of 18 months, is discharged or released from active duty as described in subsection (c).

(7) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 6 months, but less than 12 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

(i) continues on active duty for an aggregate of less than 12 months; or

(ii) before completion of service on active duty of an aggregate of 12 months, is discharged or released from active duty as described in subsection (c).

(8) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 90 days, but less than 6 months, on active duty in the Armed Forces (excluding service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

(i) continues on active duty for an aggregate of less than 6 months; or

(ii) before completion of service on active duty of an aggregate of 6 months, is discharged or released from active duty as described in subsection (c).

(9) An individual who is the child or spouse 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.

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

*(11) An individual who is the child or spouse of a member of the Selected Reserve who dies on or after September 11, 2001—*

*(A) from a service-connected disability; and*

*(B) not later than four years after the date of the last discharge or release of that member from active duty or active duty for training.*

**[(10)]** (12) An individual who is awarded the Purple Heart for service in the Armed Forces occurring on or after September 11, 2001, and continues to serve on active duty in the Armed Forces or is discharged or released from active duty as described in subsection (c).

(c) COVERED DISCHARGES AND RELEASES.—A discharge or release from active duty of an individual described in this subsection is a discharge or release as follows:

(1) A discharge from active duty in the Armed Forces with an honorable discharge.

(2) A release after service on active duty in the Armed Forces characterized by the Secretary concerned as honorable service and placement on the retired list, transfer to the Fleet Reserve or Fleet Marine Corps Reserve, or placement on the temporary disability retired list.

(3) A release from active duty in the Armed Forces for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service.

(4) A discharge or release from active duty in the Armed Forces after service on active duty in the Armed Forces characterized by the Secretary concerned as honorable service for—

(A) a medical condition which preexisted the service of the individual as described in the applicable paragraph of subsection (b) and which the Secretary determines is not service-connected;

(B) hardship; or

(C) a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct but did interfere with the individual's performance of duty, as determined by the Secretary concerned in accordance with regulations prescribed by the Secretary of Defense.

(d) PROHIBITION ON TREATMENT OF CERTAIN SERVICE AS PERIOD OF ACTIVE DUTY.—The following periods of service shall not be considered a part of the period of active duty on which an individual's entitlement to educational assistance under this chapter is based:

(1) A period of service on active duty of an officer pursuant to an agreement under section 2107(b) of title 10.

(2) A period of service on active duty of an officer pursuant to an agreement under section 7448, 8459, or 9448 of title 10 or section 182 of title 14.

(3) A period of service that is terminated because of a defective enlistment and induction based on—

(A) the individual's being a minor for purposes of service in the Armed Forces;

(B) an erroneous enlistment or induction; or

(C) a defective enlistment agreement.

(e) TREATMENT OF INDIVIDUALS ENTITLED UNDER MULTIPLE PROVISIONS.—In the event an individual entitled to educational assistance under this chapter is entitled by reason of both paragraphs (4) and (5) of subsection (b), the individual shall be treated as being entitled to educational assistance under this chapter by reason of paragraph (5) of subsection (b).

(f) MARINE GUNNERY SERGEANT JOHN DAVID FRY SCHOLARSHIP.—

(1) IN GENERAL.—Educational assistance payable by reason of **[paragraph (9)] paragraphs (9), (10), and (11)** of subsection (b) shall be known as the "Marine Gunnery Sergeant John David Fry scholarship".

(2) LIMITATION.—The entitlement of an individual to assistance under subsection (a) pursuant to **[paragraph (9)] paragraphs (9), (10), and (11)** of subsection (b) because the individual was a spouse of a person described in such paragraph shall expire on the earlier of—

(A) the date that is 15 years after the date on which the person died; or

(B) the date on which the individual remarries.

(3) ELECTION ON RECEIPT OF CERTAIN BENEFITS.—Except as provided in paragraph (4), a surviving spouse entitled to assist-

ance under subsection (a) pursuant to [paragraph (9)] paragraphs (9), (10), and (11) of subsection (b) who is also entitled to educational assistance under chapter 35 of this title may not receive assistance under both this section and such chapter, but shall make an irrevocable election (in such form and manner as the Secretary may prescribe) under which section or chapter to receive educational assistance.

(4) EXCEPTION FOR CERTAIN ELECTIONS.—

(A) IN GENERAL.—An election made under paragraph (3) by a spouse described in subparagraph (B) may not be treated as irrevocable if such election occurred before the date of the enactment of this paragraph.

(B) ELIGIBLE SURVIVING SPOUSE.—A spouse described in this subparagraph is an individual—

- (i) who is entitled to assistance under subsection (a) pursuant to [paragraph (9)] paragraphs (9), (10), and (11) of subsection (b); and
- (ii) who was the spouse of a member of the Armed Forces who died during the period beginning on September 11, 2001, and ending on December 31, 2005.

(5) DEFINITION OF CHILD.—For purposes of [paragraph (9)] paragraphs (9), (10), and (11) of subsection (b), the term “child” includes a married individual or an individual who is above the age of twenty-three years.

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**§ 3315B. Preparatory courses for licensure, certification, or national tests**

(a) IN GENERAL.—An individual entitled to educational assistance under this chapter shall also be entitled to payment for a preparatory course for a licensing or certification test that is required or used to enter into, maintain, or advance in employment in a pre-determined and identified vocation or profession.

(b) AMOUNT.—The amount of educational assistance payable under this chapter for a course described in subsection (a) is the lesser of—

- (1) the fee charged for the course; or
- (2) the amount of entitlement available to the individual under this chapter at the time of payment for the course under this section.

(c) CHARGE AGAINST ENTITLEMENT.—The number of months of entitlement charged an individual under this chapter for a course described in subsection (a) shall be pro-rated based on the actual amount of the fee charged for the course relative to the rate for 1 month payable—

- (1) for the academic year beginning on August 1, 2020, \$1,460; or
- (2) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subsection, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h).

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## SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

\* \* \* \* \*

**§ 3322. Bar to duplication of educational assistance benefits**

(a) **IN GENERAL.**—An individual entitled to educational assistance under this chapter who is also eligible for educational assistance under chapter 30, 31, 32, or 35 of this title, chapter 107, 1606, or 1607 or section 510 of title 10, or the provisions of the Hostage Relief Act of 1980 (Public Law 96–449; 5 U.S.C. 5561 note) may not receive assistance under two or more such programs concurrently, but shall elect (in such form and manner as the Secretary may prescribe) under which chapter or provisions to receive educational assistance.

(b) **INAPPLICABILITY OF SERVICE TREATED UNDER EDUCATIONAL LOAN REPAYMENT PROGRAMS.**—A period of service counted for purposes of repayment of an education loan under chapter 109 of title 10 may not be counted as a period of service for entitlement to educational assistance under this chapter.

(c) **SERVICE IN SELECTED RESERVE.**—An individual who serves in the Selected Reserve may receive credit for such service under only one of this chapter, chapter 30 of this title, and chapters 1606 and 1607 of title 10, and shall elect (in such form and manner as the Secretary may prescribe) under which chapter such service is to be credited.

(d) **ADDITIONAL COORDINATION MATTERS.**—In the case of an individual entitled to educational assistance under chapter 30, 31, 32, or 35 of this title, chapter 107, 1606, or 1607 of title 10, or the provisions of the Hostage Relief Act of 1980, or making contributions toward entitlement to educational assistance under chapter 30 of this title, as of August 1, 2009, coordination of entitlement to educational assistance under this chapter, on the one hand, and such chapters or provisions, on the other, shall be governed by the provisions of section 5003(c) of the Post-9/11 Veterans Educational Assistance Act of 2008.

(e) **BAR TO CONCURRENT RECEIPT OF TRANSFERRED EDUCATION BENEFITS AND MARINE GUNNERY SERGEANT JOHN DAVID FRY SCHOLARSHIP ASSISTANCE.**—An individual entitled to educational assistance under both [sections 3311(b)(9) and 3319] *section 3319 and paragraph (9), (10), or (11) of section 3311 of this title* may not receive assistance under both provisions concurrently, but shall elect (in such form and manner as the Secretary may prescribe) under which provision to receive educational assistance.

(f) **BAR TO RECEIPT OF COMPENSATION AND PENSION AND MARINE GUNNERY SERGEANT JOHN DAVID FRY SCHOLARSHIP ASSISTANCE.**—The commencement of a program of education under [section 3311(b)(9)] *paragraph (9), (10), or (11) of section 3311 of this title* shall be a bar to the following:

(1) Subsequent payments of dependency and indemnity compensation or pension based on the death of a parent to an eligible person over the age of 18 years by reason of pursuing a course in an educational institution.

(2) Increased rates, or additional amounts, of compensation, dependency and indemnity compensation, or pension because of such a person, whether eligibility is based upon the death of the parent.

(g) **BAR TO CONCURRENT RECEIPT OF TRANSFERRED EDUCATION BENEFITS.**—A spouse or child who is entitled to educational assistance under this chapter based on a transfer of entitlement from more than one individual under section 3319 may not receive assistance based on transfers from more than one such individual concurrently, but shall elect (in such form and manner as the Secretary may prescribe) under which source to utilize such assistance at any one time.

(h) **BAR TO DUPLICATION OF ELIGIBILITY BASED ON A SINGLE EVENT OR PERIOD OF SERVICE.**—

(1) **ACTIVE-DUTY SERVICE.**—An individual with qualifying service in the Armed Forces that establishes eligibility on the part of such individual for educational assistance under this chapter, chapter 30 or 32 of this title, and chapter 1606 or 1607 of title 10, shall elect (in such form and manner as the Secretary may prescribe) under which authority such service is to be credited.

(2) **ELIGIBILITY FOR EDUCATIONAL ASSISTANCE BASED ON PARENT'S SERVICE.**—A child of a member of the Armed Forces who, on or after September 11, 2001, dies in the line of duty while serving on active duty, who is eligible for educational assistance under [either section 3311(b)(9) or chapter 35] *either chapter 35 or paragraph (9), (10), or (11) of section 3311* of this title based on the parent's death may not receive such assistance under both this chapter and chapter 35 of this title, but shall elect (in such form and manner as the Secretary may prescribe) under which chapter to receive such assistance.

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## CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

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### SUBCHAPTER IV—PAYMENTS TO ELIGIBLE VETERANS; VETERAN-STUDENT SERVICES

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#### § 3485. Work-study allowance

(a)(1) **[Individuals]** *In accordance with paragraph (4), individuals* utilized under the authority of subsection (b) shall be paid an additional educational assistance allowance (hereinafter in this section referred to as “work-study allowance”). Such allowance shall be paid in return for an individual's entering into an agreement described in paragraph (3).

(2) Such work-study allowance shall be paid in an amount equal to the product of—

(A) the applicable hourly minimum wage; and

(B) the number of hours worked during the applicable period.

(3) An agreement described in this paragraph is an agreement of an individual to perform services, during or between periods of enrollment, aggregating not more than a number of hours equal to 25 times the number of weeks in the semester or other applicable enrollment period, required in connection with a qualifying work-study activity.

(4)(A) *The Secretary shall carry out this section by providing to educational institutions an annual amount for the institution to use in paying work-study allowance under paragraph (1) to individuals enrolled at the institution.*

(B) *With respect to an educational institution that participated in the work-study program under this section during the academic year beginning August 1, 2018, the Secretary shall determine the annual amount to provide to the educational institution under subparagraph (A) as follows:*

(i) *For the academic year beginning August 1, 2020, the amount shall be the total amount the Secretary paid under this section to individuals enrolled at such educational institution during the academic year beginning August 1, 2018.*

(ii) *Except as provided by subparagraph (D)(ii), for each academic year beginning on or after August 1, 2021, the amount shall be the total amount the educational institution paid under this section for work-study allowance to individuals enrolled at such educational institution during the previous academic year in which individuals participated in the work-study program.*

(C) *With respect to an educational institution that did not participate in the work-study program under this section during the academic year beginning August 1, 2018, the Secretary shall determine the annual amount to provide to the educational institution under subparagraph (A) as follows:*

(i) *For the first academic year in which the educational institution participates in the work-study program beginning on or after August 1, 2020, the amount shall be an amount the Secretary determines appropriate based on amounts provided to similar educational institutions pursuant to subparagraph (B).*

(ii) *Except as provided by subparagraph (D)(ii), for each academic year occurring after the academic year specified in clause (i), the amount shall be the total amount the educational institution paid under this section for work-study allowance to individuals enrolled at such educational institution during the previous academic year in which individuals enrolled at such educational institution participated in the work-study program.*

(D)(i) *Except as provided in clause (ii), if the Secretary provides an annual amount to an educational institution under subparagraph (B) or (C) that is more than the total amount the educational institution pays to individuals under paragraph (1), the educational institution shall return to the Secretary the unpaid amount and the Secretary shall transfer such amount into the general fund of the Treasury.*

(ii) *If the annual amount provided to an educational institution under subparagraph (B) or (C) is more, but less than 25 percent more, than the total amount the educational institution pays to individuals under paragraph (1), and the educational institution plans to participate in the work-study program under this section during the subsequent academic year, the educational institution may retain the amount of the overpayment if the educational institution notifies the Secretary of the amount of the overpayment and the intention of the educational institution to retain such amount. Any amount retained by an educational institution under this clause may only be used by the educational institution to provide*



*work-study allowance to individuals enrolled at the educational institution.*

*(iii) At any time an educational institution may request the Secretary to increase the annual amount that the Secretary provides the educational institution under subparagraph (B) or (C).*

*(E) Pursuant to section 3690(c), section 3693, and other provisions of chapter 36 of this title, the Secretary shall ensure that educational institutions carry out the work-study allowance program in compliance with this section.*

**[(4)] (5)** For the purposes of this section, the term “qualifying work-study activity” means any of the following:

(A) The outreach services program under chapter 63 of this title as carried out under the supervision of a Department employee or, during the period preceding June 30, 2013, or any time on or after June 30, 2017, outreach services to servicemembers and veterans furnished by employees of a State approving agency.

(B) The preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the Department.

(C) The provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, including, during the period preceding June 30, 2013, or any time on or after June 30, 2017, the provision of such care to veterans in a State home for which payment is made under section 1741 of this title.

(D) Any other activity of the Department as the Secretary determines appropriate.

(E) In the case of an individual who is receiving educational assistance under chapter 1606 or 1607 of title 10, an activity relating to the administration of that chapter at Department of Defense, Coast Guard, or National Guard facilities.

(F) During the period preceding June 30, 2013, or any time on or after June 30, 2017, an activity relating to the administration of a national cemetery or a State veterans’ cemetery.

(G) Any activity of a State veterans agency related to providing assistance to veterans in obtaining any benefit under the laws administered by the Secretary or the laws of the State.

(H) A position working in a Center of Excellence for Veteran Student Success, as established pursuant to part T of title VIII of the Higher Education Act of 1965 (20 U.S.C. 1161t et seq.).

(I) A position working in a cooperative program carried out jointly by the Department and an institution of higher learning.

(J) Any other veterans-related position in an institution of higher learning.

**[(5)] (6)** An individual may elect, in a manner prescribed by the Secretary, to be paid in advance an amount equal to 40 percent of the total amount of the work-study allowance agreed to be paid under the agreement in return for the individual’s agreement to perform the number of hours of work specified in the agreement (but not more than an amount equal to 50 times the applicable hourly minimum wage).

[(6)] (7) For the purposes of this subsection and subsection (e), the term “applicable hourly minimum wages” means—

(A) the hourly minimum wage under section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)); or

(B) the hourly minimum wage under comparable law of the State in which the services are to be performed, if such wage is higher than the wage referred to in subparagraph (A) and the Secretary has made a determination to pay such higher wage.

(b) Notwithstanding any other provision of law, the Secretary shall, subject to the provisions of subsection (e) of this section, utilize, in connection with the activities specified in subsection (a)(1) of this section, the service of individuals who are pursuing programs of rehabilitation, education, or training under chapter 30, 31, 32, 33, or 34 of this title or chapter 1606 or 1607 of title 10, at a rate equal to at least three-quarters of that required of a full-time student. In carrying out this section, the Secretary, wherever feasible, shall give priority to veterans with disabilities rated at 30 percent or more for purposes of chapter 11 of this title. In the event an individual ceases to be at least a three-quarter-time student before completing such agreement, the individual may, with the approval of the Secretary, be permitted to complete such agreement.

(c) The Secretary shall determine the number of individuals whose services the Department of Veterans Affairs can effectively utilize and the types of services that such individuals may be required to perform, on the basis of a survey, which the Secretary shall conduct annually, of each Department of Veterans Affairs regional office in order to determine the numbers of individuals whose services can effectively be utilized during an enrollment period in each geographical area where Department of Veterans Affairs activities are conducted, and shall determine which individuals shall be offered agreements under this section in accordance with regulations which the Secretary shall prescribe, including as criteria (1) the need of the individual to augment the veteran’s educational assistance or subsistence allowance; (2) the availability to the individual of transportation to the place where the individual’s services are to be performed; (3) the motivation of the individual; and (4) in the case of a disabled veteran pursuing a course of vocational rehabilitation under chapter 31 of this title, the compatibility of the work assignment to the veteran’s physical condition.

(d) While performing the services authorized by this section, individuals shall be deemed employees of the United States for the purposes of the benefits of chapter 81 of title 5 but not for the purposes of laws administrated by the Office of Personnel Management.

(e)(1) Subject to paragraph (2) of this subsection, the Secretary may, notwithstanding any other provision of law, enter into an agreement with an individual under this section, or a modification of such an agreement, whereby the individual agrees to perform a qualifying work-study activity described in [subsection (a)(4)] *subsection (a)(5)* and agrees that the Secretary shall, in lieu of paying the work-study allowance payable for such services, as provided in subsection (a) of this section, deduct the amount of the allowance from the amount which the individual has been determined to be indebted to the United States by virtue of such individual’s partici-

pation in a benefits program under this chapter, chapter 30, 31, 32, 33, 35, or 36 of this title, or chapter 1606 or 1607 of title 10 (other than an indebtedness arising from a refund penalty imposed under section 2135 of such title).

(2)(A) Subject to subparagraph (B) of this paragraph, the provisions of this section (other than those provisions which are determined by the Secretary to be inapplicable to an agreement under this subsection) shall apply to any agreement authorized under paragraph (1) of this subsection.

(B) For the purposes of this subsection, the Secretary may—

(i) waive, in whole or in part, the limitations in subsection (a) of this section concerning the number of hours and periods during which services can be performed by the individual and the provisions of subsection (b) of this section requiring the individual's pursuit of a program of rehabilitation, education, or training;

(ii) in accordance with such terms and conditions as may be specified in the agreement under this subsection, waive or defer charging interest and administrative costs pursuant to section 5315 of this title on the indebtedness to be satisfied by performance of the agreement; and

(iii) notwithstanding the indebtedness offset provisions of section 5314 of this title, waive or defer until the termination of an agreement under this subsection the deduction of all or any portion of the amount of indebtedness covered by the agreement from future payments to the individual as described in section 5314 of this title.

(3)(A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph, an agreement authorized under this subsection shall terminate in accordance with the provisions of this section and the terms and conditions of the agreement which are consistent with this subsection.

(B) In no event shall an agreement under this subsection continue in force after the total amount of the individual's indebtedness described in paragraph (1) of this subsection has been recouped, waived, or otherwise liquidated.

(C) Notwithstanding the provisions of subparagraphs (A) and (B) of this paragraph, if the Secretary finds that an individual was without fault and was allowed to perform services described in the agreement after its termination, the Secretary shall, as reasonable compensation therefor, pay the individual at the applicable hourly minimum wage rate for such services as the Secretary determines were satisfactorily performed.

(4) The Secretary shall promulgate regulations to carry out this subsection.

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**CHAPTER 35—SURVIVORS' AND DEPENDENTS'  
EDUCATIONAL ASSISTANCE**

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**SUBCHAPTER IV—PAYMENTS TO ELIGIBLE PERSONS**

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**§ 3532. Computation of educational assistance allowance**

(a)(1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be paid at the monthly rate of \$1,224 for full-time, \$967 for three-quarter-time, or \$710 for half-time pursuit.

(2) The educational assistance allowance on behalf of an eligible person pursuing a program of education on less than a half-time basis shall be paid at the rate of the lesser of—

(A) the established charges for tuition and fees that the educational institution involved requires similarly circumstanced nonveterans enrolled in the same program to pay; or

(B) \$1,224 per month for a full-time course.

(b) The educational assistance allowance to be paid on behalf of an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion, shall be computed at the rate of \$1,224 per month.

(c)(1) An eligible person who is enrolled in an educational institution for a “farm cooperative” program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

(C) a half-time basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Secretary. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

(2) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be \$636 for full-time, \$477 for three-quarter-time, or \$319 for half-time pursuit.

(d) If a program of education is pursued by an eligible person at an institution located in the Republic of the Philippines, the educational assistance allowance computed for such person under this section shall be paid at the rate of \$0.50 for each dollar.

(e) In the case of an eligible person who is pursuing a program of education under this chapter while incarcerated in a Federal, State, local, or other penal institution or correctional facility for conviction of a felony, the educational assistance allowance shall be paid in the same manner prescribed in section 3482(g) of this title

for incarcerated veterans, except that the references therein to the monthly educational assistance allowance prescribed for a veteran with no dependents shall be deemed to refer to the applicable allowance payable to an eligible person under corresponding provisions of this chapter or chapter 36 of this title, as determined by the Secretary.

(f)(1) Subject to paragraph (3), the amount of educational assistance payable under this chapter for a licensing or certification test described in section 3501(a)(5) of this title is the lesser of \$2,000 or the fee charged for the test.

(2) The number of months of entitlement charged in the case of any individual for such licensing or certification test is equal to the number (including any fraction) determined by dividing the total amount paid to such individual for such test by the full-time monthly institutional rate of the educational assistance allowance which, except for paragraph (1), such individual would otherwise be paid under this chapter.

(3) In no event shall payment of educational assistance under this subsection for such a test exceed the amount of the individual's available entitlement under this chapter.

(g)(1) Subject to paragraph (3), the amount of educational assistance payable under this chapter for a national test for admission or national test providing an opportunity for course credit at institutions of higher learning described in section 3501(a)(5) of this title or a preparatory course described in section 3315B(a) of this title is the amount of the fee charged for the test.

(2) The number of months of entitlement charged in the case of any individual for a test or preparatory course described in paragraph (1) is equal to the number (including any fraction) determined by dividing the total amount of educational assistance paid such individual for such test or preparatory course by the full-time monthly institutional rate of educational assistance, except for paragraph (1), such individual would otherwise be paid under this chapter.

(3) In no event shall payment of educational assistance under this subsection for a test or preparatory course described in paragraph (1) exceed the amount of the individual's available entitlement under this chapter.

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**CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS**

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**SUBCHAPTER III—ADMINISTRATIVE PROVISIONS**

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**§ 3729. Loan fee**

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

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

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

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

| Type of loan  | Active duty veteran | Reservist | Other obligor |
|---|---------------------|-----------|---------------|
| (A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020)   | 2.15                | 2.40      | NA            |
| (A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before January 1, 2022)  | 2.30                | 2.30      | NA            |
| (A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2022, and before October 1, 2029) | 2.15                | 2.15      | NA            |
| (A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2029)                              | 1.40                | 1.40      | NA            |
| (B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020)                               | 3.30                | 3.30      | NA            |

| Type of loan  | Active duty veteran | Reservist | Other obligor |
|---|---------------------|-----------|---------------|
| (B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before January 1, 2022)  | 3.60                | 3.60      | NA            |
| (B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2022, and before October 1, 2029) | 3.30                | 3.30      | NA            |
| (B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2029)                              | 1.25                | 1.25      | NA            |
| (C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020)  | 1.50                | 1.75      | NA            |
| (C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before January 1, 2022)  | 1.65                | 1.65      | NA            |
| (C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2022, and before October 1, 2029)   | 1.50                | 1.50      | NA            |
| (C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2029)  | 0.75                | 0.75      | NA            |
| (D)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020)   | 1.25                | 1.50      | NA            |
| (D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before January 1, 2022)   | 1.40                | 1.40      | NA            |
| (D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2022, and before October 1, 2029)  | 1.25                | 1.25      | NA            |

| 【Type of loan   | Active<br>duty<br>veteran | Reservist | Other<br>obligor |
|---|---------------------------|-----------|------------------|
| (D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2029) | 0.50                      | 0.50      | NA               |
| (E) Interest rate reduction refinancing loan  | 0.50                      | 0.50      | NA               |
| (F) Direct loan under section 3711  | 1.00                      | 1.00      | NA               |
| (G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)                          | 1.00                      | 1.00      | NA               |
| (H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)                 | 1.25                      | 1.25      | NA               |
| (I) Loan assumption under section 3714  | 0.50                      | 0.50      | 0.50             |
| (J) Loan under section 3733(a)  | 2.25                      | 2.25      | 2.25】            |

| <i>Type of loan</i>  | <i>Active<br/>duty<br/>veteran</i> | <i>Reservist</i> | <i>Other<br/>obligor</i> |
|--|------------------------------------|------------------|--------------------------|
| (A)(i) <i>Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020)</i>   | 2.15                               | 2.40             | NA                       |
| (A)(ii) <i>Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before October 1, 2027)</i>  | 2.30                               | 2.30             | NA                       |
| (A)(iii) <i>Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2027, and before October 1, 2029)</i> | 2.15                               | 2.15             | NA                       |



| <i>Type of loan</i>  | <i>Active<br/>duty<br/>veteran</i> | <i>Reservist</i> | <i>Other<br/>obligor</i> |
|--|------------------------------------|------------------|--------------------------|
| (A)(iv) <i>Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2029)</i>  | 1.40                               | 1.40             | NA                       |
| (B)(i) <i>Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020)</i>   | 3.30                               | 3.30             | NA                       |
| (B)(ii) <i>Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before October 1, 2027)</i>  | 3.60                               | 3.60             | NA                       |
| (B)(iii) <i>Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2027, and before October 1, 2029)</i> | 3.30                               | 3.30             | NA                       |
| (B)(iv) <i>Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2029)</i>                              | 1.25                               | 1.25             | NA                       |
| (C)(i) <i>Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020)</i>  | 1.50                               | 1.75             | NA                       |
| (C)(ii) <i>Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before October 1, 2027)</i>  | 1.65                               | 1.65             | NA                       |
| (C)(iii) <i>Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2027, and before October 1, 2029)</i>   | 1.50                               | 1.50             | NA                       |
| (C)(iv) <i>Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2029)</i>  | 0.75                               | 0.75             | NA                       |
| (D)(i) <i>Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020)</i>   | 1.25                               | 1.50             | NA                       |

| <i>Type of loan</i>   | <i>Active<br/>duty<br/>veteran</i> | <i>Reservist</i> | <i>Other<br/>obligor</i> |
|---|------------------------------------|------------------|--------------------------|
| <i>(D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before October 1, 2027)</i>  | <i>1.40</i>                        | <i>1.40</i>      | <i>NA</i>                |
| <i>(D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2027, and before October 1, 2029)</i> | <i>1.25</i>                        | <i>1.25</i>      | <i>NA</i>                |
| <i>(D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2029)</i>                              | <i>0.50</i>                        | <i>0.50</i>      | <i>NA</i>                |
| <i>(E) Interest rate reduction refinancing loan</i>   | <i>0.50</i>                        | <i>0.50</i>      | <i>NA</i>                |
| <i>(F) Direct loan under section 3711</i>   | <i>1.00</i>                        | <i>1.00</i>      | <i>NA</i>                |
| <i>(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)</i>   | <i>1.00</i>                        | <i>1.00</i>      | <i>NA</i>                |
| <i>(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)</i>  | <i>1.25</i>                        | <i>1.25</i>      | <i>NA</i>                |
| <i>(I) Loan assumption under section 3714</i>   | <i>0.50</i>                        | <i>0.50</i>      | <i>0.50</i>              |
| <i>(J) Loan under section 3733(a)</i>   | <i>2.25</i>                        | <i>2.25</i>      | <i>2.25</i>              |

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

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

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

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

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

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

(E) The term “subsequent loan” means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title if the veteran has previously obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

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

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

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

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

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

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

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

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

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

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## MINORITY VIEWS

The Minority offers the following Minority views regarding H.R. 3504, as amended.

The Minority supports, H.R. 3504, as amended, but believes that bill would have been improved if the Majority considered and adopted an amendment to the amendment in the nature of a substitute (ANS) to H.R. 3504 that was offered by Representative Roy of Texas. The ANS to H.R. 3504 makes various improvements to programs within the Department of Veteran's Affairs (VA) Veterans Benefits Administration including specially adapted housing grants, work-study, and the Fry Scholarship. Representative Roy's amendment would have added to those improvements by codifying VA's practice of not sending personally identifying information (PII) on beneficiaries to the Federal Bureau of Investigation's National Instant Criminal Background Check System (NICS) solely based on an adjudication of service-connection for a disability.

Under current law, Section 922(g)(4) of Title 18, United States Code, an individual "who has been adjudicated as a mental defective or committed to a mental institution" may not "ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce." Section 922(d) makes it a felony to knowingly sell a firearm or ammunition to such individuals. The Brady Handgun Violence Prevention Act of 1993, Public Law 103-159 (Brady Act), requires federal agencies, upon the request of the Attorney General, to report PII of certain individuals, including those adjudicated as a mental defective, to the FBI's National Instant Criminal Background Check System (NICS). NICS is a database that federal firearms licensees use to verify if an individual may lawfully purchase a firearm or ammunition. Currently, VA does not report PII of veterans based solely on an adjudication for service-connected disability compensation benefits.

On February 28, 2019, the House passed H.R. 1112, as amended, The Enhanced Background Checks Act of 2019, by a recorded vote of 228-198. H.R. 1112, as amended, would change the language in Section 922(g)(4) and (d)(4) of Title 18 from "adjudicated as a mental defective" to "adjudicated with mental illness, severe developmental disability, or severe emotional instability". Veterans and veterans' advocates have raised concerns that, if H.R. 1112, as amended, was enacted, VA could interpret an adjudication of an award of service-connected disability compensation for PTSD or any other mental disorder or disability as sufficient reason to report veterans to the NICS list. To put this into perspective, according to information provided by VA, more than one million veterans receive disability benefits for mental illness. If H.R. 1112, as amended, is enacted, VA could begin reporting veterans to NICS

without evidence that the individual is a danger to themselves or others.

Despite the devastating and far-reaching implications H.R. 1112, as amended, may have on veteran's constitutional rights by potentially requiring VA to report information on veterans, H.R. 1112, as amended, was never considered or debated within the Committee. As such, prior to floor consideration of H.R. 1112, as amended, Ranking Member Roe offered an amendment at the House Rules Committee to clarify that veterans with a VA identified mental illness and other affected VA adjudications should be exempt from the standard in H.R. 1112, as amended. However, Ranking Member Roe's amendment was ruled out of order on February 25, 2019.

In response to concerns raised by Veterans of Foreign Wars, during floor consideration of H.R. 1112, Chairman Jerrold Nadler of the House Committee on Judiciary (Judiciary Committee) clarified that the bill was not intended to change current law and that he would work with stakeholders to address the problems identified.<sup>1</sup> Although the Minority was encouraged by Chairman Nadler's statement, as of the date of the markup, the Judiciary Committee had not presented any legislation that would address the concerns stated above. Due to the lack of action by the Judiciary Committee Majority, Representative Roy introduced H.R. 3450, a bill that is similar to the amendment Ranking Member Roe offered at the Rules Committee. Ranking Member Roe requested that H.R. 3450 be included on the June 20, 2019 Full Committee Legislative Hearing and July 11, 2019 markup agenda, but both these requests were denied.

During the Full Committee markup of H.R. 3504, Representative Roy offered an amendment to codify VA's existing practice of not sending certain personally identifying information to NICS, solely on an adjudication that a veteran has a service-connected disability. Both the ANS to H.R. 3504 and the amendment to the ANS offered by Representative Roy, pertain to benefits administered by the Under Secretary for Benefits. Representative Conor Lamb of Pennsylvania, however, raised a point of order pertaining to germaneness. Despite the Minority's objections to the use of procedure to avoid debating and voting on the merits of the amendment, Chairman Takano ruled the amendment non-germane. Representative Roy moved to appeal Chairman Takano's ruling. However, Representative Lamb successfully moved to table the appeal. Representative Lamb's motion was agreed to by a recorded vote of 15–12, with 15 members the Majority voting to end debate on the germaneness of the amendment and one member of the Majority joining with 11 members of the Minority in voting to continue debating the germaneness of the amendment.

The Minority is concerned that veterans might not seek VA benefits because they fear they will lose a constitutional right. As the National Alliance for Mental Illness states, "creating new federal or state gun laws based on mental illness could have the effect of creating more barriers to people being willing to seek treatment

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<sup>1</sup> Enhanced Background Checks Act of 2019, *Congressional Record*, daily edition, vol. 165 (February 28, 2019), pp. H2281.

when they need it most. Solutions to gun violence associated with mental illness lie in improving access to treatment, not in preventing people from seeking treatment in the first place.”<sup>2</sup> Representative Roy’s amendment would have provided veterans with the assurance that their Second Amendment rights are protected if they seek care or benefits from VA. The Minority feels strongly that veterans with a service-connected mental disability should not be stigmatized as dangerous or suicidal because of their disability rating. We agree that an individual who a court rules is a threat to themselves or to others should not be permitted to possess a firearm. However, a VA employee granting a compensation claim for PTSD or depression is not the same as a judicial ruling or a physician finding that a veteran is a danger to himself/herself or society. Equating the threat of violence with a mental health diagnosis reinforces dangerous stereotypes that can prevent veterans from getting help and increase feelings of shame, isolation, and suicidal ideation.<sup>3</sup>

The Minority disagrees with the manner in which Chairman Takano used parliamentary procedure for partisan purposes to avoid debating the amendment. Chairman Takano’s decision to deny consideration of Representative Roy’s amendment is an affront to the bipartisan manner this Committee has worked in the past to find solutions both sides of the aisle can agree on. The Minority would have welcomed ideas from the Majority to address the issue Representative Roy’s amendment sought to correct. Regrettably, the Majority has refused to entertain any discussion on the problem created, and acknowledged, by Chairman Nadler with passage of H.R. 1112.

The Minority appreciates Veterans of Foreign Wars of the United States, Vietnam Veterans of America, and Heritage Action for America for supporting the amendment.

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*Ranking Member, Committee  
on Veterans’ Affairs, House  
of Representatives.*

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<sup>2</sup> <https://www.nami.org/learn-more/mental-health-public-policy/violence-and-gun-reporting-laws>.

<sup>3</sup> U.S. Department of Veterans Affairs, National Strategy for Preventing Veteran Suicide: 2018–2028