

DEPARTMENT OF VETERANS AFFAIRS WATCHING OVER
ELECTRONIC BENEFITS ACT

AUGUST 9, 2024.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 6874]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 6874) to direct the Secretary of Veterans Affairs to implement a system or process to actively monitor the veteran self-service and data transmission functions of the main internet website of the Department of Veterans Affairs for certain adverse events, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Department of Veterans Affairs Watching over Electronic Benefits Act” or the “VA WEB Act”.

SEC. 2. SYSTEM OR PROCESS TO ACTIVELY MONITOR CERTAIN FUNCTIONS OF THE COVERED WEBSITE FOR ADVERSE EVENTS.

(a) **IN GENERAL.**—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall develop and implement a system or process to actively monitor certain functions of the covered website, including covered features and any underlying interface or system, for adverse events. The Secretary may use the authority under section 701(a) of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (Public Law 117–168; 38 U.S.C. 324 note) to carry out this subsection.

(b) **SYSTEM OR PROCESS REQUIREMENTS.**—The Secretary shall ensure that the system or process developed under subsection (a) is designed to monitor, and log and store data, with respect to—

- (1) the volume of traffic to the covered website;
- (2) the number of submissions made using a covered feature;
- (3) software updates or other modifications to a covered feature or underlying interface or system;
- (4) needs, deficiencies, or obsolescence of a covered feature or underlying interface or system;
- (5) adverse events, including—
 - (A) the date and time of any such adverse event;
 - (B) the number of users of the covered website who were affected by the adverse event;
 - (C) the number of submissions affected by the adverse event; and
 - (D) any factor related to an underlying interface or system that caused or contributed to the adverse event; and
- (6) any other factors, as determined by the Secretary.

(c) **NOTICE AND REPORT REGARDING CERTAIN ADVERSE EVENTS.**—

(1) **NOTICE.**—In the case of any significant adverse event affecting the covered website, not later than 30 days after the date of such event, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives notice of the event, including a description of the event.

(2) **REPORT.**—Not later than 30 days after receiving a request from the Chair of the Committee on Veterans’ Affairs of the Senate or the Chair of the Committee on Veterans’ Affairs of the House of Representatives for a report about an adverse event, including a significant adverse event, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and the House of Representatives a report on the adverse event covered by the request. Each such report shall include—

- (A) a description of the adverse event;
- (B) the date and time when the adverse event began and ended;
- (C) the number of users of the covered website who were affected;
- (D) the number of submissions made using a covered feature that were affected; and
- (E) a description of any underlying interface or system that was affected.

(3) **SUNSET.**—The requirements under this subsection shall expire on the date that is seven years after the date of the enactment of this Act.

(d) **REPORT REGARDING EXERCISE OF CERTAIN AUTHORITY.**—If the Secretary exercises authority under section 701(a) of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (Public Law 117–168; 38 U.S.C. 324 note) to carry out subsection (a), not later than 30 days after the date on which the Secretary first exercises such authority for such purpose, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and the House of Representatives and the Committees on Appropriations of the Senate and the House of Representatives a report about the exercise of such authority. Such report shall include—

- (1) the cost of implementing the system or process developed under subsection (a);
- (2) a description of any modernization or replacement of an underlying interface or system necessary to implement the system or process;
- (3) an identification of any ways in which the covered website and any underlying interface or system is susceptible to any adverse event; and

(4) a description of how the Secretary plans to eliminate or mitigate, to the extent possible, any such susceptibility.

(e) TESTING STRATEGY.—Not later than one year after the date of the enactment of this Act, the Assistant Secretary for Information and Technology of the Department of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a strategy to reduce the occurrence of adverse events by improving testing for each modification or software update to a covered feature or underlying system or interface.

(f) DEFINITIONS.—In this section:

(1) The term “adverse event” means, with respect to the covered website, including covered features—

- (A) a failure to properly receive or process a submission;
- (B) a system outage;
- (C) an error in an underlying interface or system that prevents the transmission of data;
- (D) a deficiency in information storage capacity;
- (E) a loss of data;
- (F) a presentation of incorrect information;
- (G) an error regarding a status notification; or
- (H) any similar event that affects a function of the covered website, as determined by the Secretary.

(2) The term “covered feature” means any feature or function of the covered website for use in the facilitation of the application, maintenance, or receipt of benefits under the laws administered by the Secretary.

(3) The term “covered website” means the main internet website of the Department of Veterans Affairs.

(4) The term “significant adverse event”, with respect to the covered website, including covered features, means an adverse event that affects users of, or submissions to, the covered website for a period of 24 hours or longer.

(5) The term “underlying interface or system” means—

- (A) any information technology system that transmits data through, or accepts data from, a covered feature; or
- (B) any mechanism through which any such information technology system connects and interacts with the covered website.

SEC. 3. ADJUSTMENT OF CERTAIN LOAN FEES.

The loan fee table in section 3729(b)(2) of title 38, United States Code, is amended by striking “November 15, 2031” each place it appears and inserting “November 28, 2031”.

PURPOSE AND SUMMARY

H.R. 6874, the “*Department of Veterans Affairs Watching over Electronic Benefits Act*,” or “*VA WEB Act*,” was introduced by Representative Matthew Rosendale of Montana on December 19, 2023. The bill, as amended, would require the Secretary of the Department of Veterans Affairs (VA) to implement a process and technology safeguards to monitor VA.gov, the VA’s primary website, and its underlying systems for adverse events, and report any significant adverse event to Congress. The legislation would require the Secretary of VA (Secretary) to develop and provide Congress with an improved testing strategy for software updates to VA.gov and its underlying systems. This bill would also authorize the Secretary to exercise the authority under section 701(a) of the *Honoring our PACT Act of 2022*, Public Law (P.L.) 117–168, relating to the VA Cost of War Toxic Exposures Fund, to cover the cost of implementing the system or process as described in the bill. Finally, the bill would also provide an offset for the cost of these program changes by extending current rates for VA home loan funding fees paid by non-service connected veterans.

BACKGROUND AND NEED FOR LEGISLATION

Section 1: Short Title

This Act may be cited as the “Department of Veterans Affairs Watching over Electronic Benefits Act” or the “VA WEB Act.”

Section 2: System or Process to Actively Monitor Certain Functions of the Covered Website for Adverse Events

VA.gov is VA’s primary website, and it includes dozens of self-service tools allowing veterans to access and administratively manage their healthcare and benefits. Some examples include applying for disability compensation, checking claim status, enrolling in healthcare, updating personal information, ordering prescription refills, and managing medical appointments. Interfaces with at least 14 other VA systems that fall under VA.gov, which exchange a wide range of data and process transactions.

Between January and November 2023, VA notified the House Committee on Veterans’ Affairs (the Committee) about a number of glitches in VA.gov that impacted benefits for over 120,000 veterans and survivors. In January 2023, VA notified the Committee that roughly 31,000 veterans had been identified whose disability compensation claims submitted to VA.gov were rejected due to processing errors, going back to November 2018. The number of veterans was later increased to 32,000. During the week of August 7, 2023 (the last week for veterans to submit “Intents to File” under the *Honoring our PACT Act of 2022*), approximately 5,600 veterans received an error message in VA.gov that their submissions did not go through. On September 5, 2023, VA disclosed two more problems. First, approximately 900 veterans could not access the “Notice of Disagreement” form on VA.gov to appeal denials of VA benefits from July 27 to September 1, 2023. Second, VA disclosed that roughly 56,000 veterans’ requests to add or remove dependents were not processed, potentially causing them to be underpaid or overpaid, going back to 2011. The number of dependency requests affected later increased to 81,000. In November 2023, VA notified the Committee that it has been overpaying pensions to at least 9,900 veterans because of inaccurate data from the Social Security Administration and a faulty process for veterans to self-report their income.

In response to these disclosures, the Subcommittee on Technology Modernization held oversight hearings on September 26 and December 4, 2023, during which Subcommittee members questioned VA witnesses on the causes of these glitches, their impacts on veterans, and what steps VA is taking to prevent similar issues from occurring in the future. During these hearings, VA explained that in September 2023, they began a full review of VA.gov systems and a “code yellow” process (an all-hands-on-deck effort to address an important but non-critical issue) to resolve the glitches and mitigate the impact on veterans. VA’s focus has been to stand up a “watch tower” capability to monitor VA.gov’s transaction volume and trace transactions across the website and systems it interfaces with, in order to detect errors that impact a large number of veterans’ claims.

The Committee believes this strategy accepts a certain magnitude of errors and testing deficiencies; rather than trying to

eliminate all errors, it concentrates on remediating them after they appear. This section would refine VA's strategy by requiring the Department to place more emphasis on testing and directly monitoring VA.gov and the various systems it interfaces with, not just the transaction volume, thereby increasing the likelihood that future errors are caught before significant numbers of additional veterans are impacted. Since the Committee was not notified about several of these glitches until years after they occurred, the Committee believes it is important to require VA report to Congress in a timely manner if significant adverse events occur in the future.

In section 701(a) of the *Honoring our PACT Act of 2022*, Congress granted VA the authority to use the Cost of War Toxic Exposures Fund (TEF) to modernize and develop Veterans Benefits Administration (VBA) information technology systems to enhance claims processing capacity and automation. This section would also provide VA with explicit authority to expend TEF dollars for its implementation, in accordance with section 701(a).

Section 3: Adjustment of Certain Loan Fees

Veterans who utilize the VA Home Loan Program pay a small fee that is included in their monthly mortgage payments. This section would offset the costs of the legislation's other sections by extending the expiration of the current rates for VA home loan funding fees by two weeks to November 28, 2031. Veterans with service-connected disabilities do not pay the funding fee and would not be affected by this extension of the home loan fees. The Committee believes this short-term extension of current funding fee rates is a reasonable way to cover the costs associated with this legislation.

HEARINGS

On September 26, 2023, the Subcommittee on Technology Modernization held an oversight hearing titled "Examining VA.gov," on the various technical problems with the website.

The following witnesses testified:

The Honorable Kurt DelBene, Assistant Secretary for Information and Technology, Department of Veterans Affairs; Mr. Charles Worthington, Chief Technology Officer, Office of Information and Technology, Department of Veterans Affairs; Mr. Ray Tellez, Acting Assistant Deputy Under Secretary for Automated Benefits Delivery, Veterans Benefits Administration, Department of Veterans Affairs.

On December 4, 2023, the Subcommittee on Technology Modernization held an oversight hearing titled "Reexamining VA.gov," as a follow-up to the earlier oversight hearing.

The following witnesses testified:

The Honorable Kurt DelBene, Assistant Secretary for Information and Technology, Department of Veterans Affairs; Mr. Charles Worthington, Chief Technology Officer, Office of Information and Technology, Department of Veterans Affairs; Mr. Ray Tellez, Acting Assistant Deputy Under Secretary for Automated Benefits Delivery, Veterans Benefits Administration, Department of Veterans Affairs; Mr. Paul Shute, Deputy Under Secretary for Automated Benefits Delivery, Veterans Benefits Administration, Department of Veterans Affairs.

On March 21, 2024, the Subcommittee on Oversight & Investigations held a legislative hearing on H.R. 6874 and other bills that were pending before the subcommittee.

The following witnesses testified:

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

The following organizations submitted statements for the record:

The National Federation of Federal Employees and Service Employees International Union; the American Association of Nurse Anesthesiology; Paralyzed Veterans of America; Representative Michael Turner; Representative Brandon Williams; United Nurses Associations of California/Union of Health Care Professionals; the Senior Executives Association.

SUBCOMMITTEE CONSIDERATION

On April 17, 2024, the Subcommittee on Oversight and Investigations held a markup on pending legislation which included H.R. 6874. There were no amendments to H.R. 6874 during the Subcommittee markup. A motion by Representative Mrvan to report H.R. 6874 as part of an en bloc was favorably forwarded to the Full Committee.

COMMITTEE CONSIDERATION

On May 1, 2024, the Full Committee met in open markup session, a quorum being present, and ordered H.R. 6874, as amended, to be reported favorably to the House of Representatives by voice vote. During consideration of the bill, the following amendment was considered:

An amendment in the nature of a substitute offered by Representative Cherfilus-McCormick to change the definition of “significant adverse event” to be an adverse event lasting more than 24-hours instead of an adverse event impacting over 1,000 users. The amendment in the nature of a substitute also added section three, which extends the current rates for VA home loan funding fees as an offset for the other sections of the bill. The amendment in the nature of a substitute was approved by voice vote.

A motion by Ranking Member Takano to report H.R. 6874, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 6874, as amended, reported to the House.

COMMITTEE OVERSIGHT FINDINGS

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

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives of H.R. 6874, as amended, are to allow VA to implement a process and technology safeguards to monitor its primary website for adverse events impacting the delivery of health care and benefits.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 6874, 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. 6874, as amended, prepared by the Director of the Congressional Budget Office.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 6874, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 6874, Department of Veterans Affairs Watching over Electronic Benefits Act			
As ordered reported by the House Committee on Veterans' Affairs on May 1, 2024			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	21	44
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	21	44
Spending Subject to Appropriation (Outlays)	0	0	0
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	< \$2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 6874 would require the Department of Veterans Affairs (VA) to monitor and collect information about the use of VA's main website, to report to the Congress on any adverse events that affect that website, and to develop a testing strategy to reduce issues that affect the website. Under the bill, costs associated with those requirements would be paid from the Toxic Exposures Fund (TEF), a mandatory appropriation. The bill also would increase the fees that VA charges borrowers for its home loan guarantees. All told, CBO estimates that implementing H.R. 6874 would increase direct spending by \$44 million over the 2024–2034 period.

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

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 6874

	By fiscal year, millions of dollars—													
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024–2029	2024–2034	
	Increases in Direct Spending													
Estimated Budget Authority	*	5	5	5	5	5	5	5	5	4	4	24	48	
Estimated Outlays	*	3	4	4	5	5	5	5	5	4	4	21	44	

* = between zero and \$500,000.

Website Monitoring, Reporting, and Testing: The bill would require VA to monitor and collect certain information about the use of its website. VA would be required to report the information to the Congress within 30 days after any events that affect the availability or functionality of the website for a period of longer than 24 hours. The department would also be required to provide information about any event that affects the website's performance within 30 days of receiving a request from the Congress for such information. (Those reporting requirements would expire after seven years.) Finally, the bill would require VA to develop a testing strategy to reduce issues that affect the department's website.

Using information from VA, CBO estimates that VA's current testing strategy would satisfy that requirement of the bill. However, the department would require \$4 million each year in additional information technology resources and three full-time employees to implement the bill's monitoring and reporting requirements. Compensation for each of those employees would average about \$200,000 per year. In total, implementing the bill's website monitoring and reporting requirements would cost \$44 million over the 2024–2034 period, CBO estimates.

H.R. 6874 would authorize VA to use the TEF for the cost of implementing the bill. The TEF is a mandatory appropriation that VA uses to pay for health care, disability claims processing, medical research, and IT modernization that benefits veterans who were exposed to environmental hazards. Thus, satisfying the bill's website requirements would increase direct spending.

Home Loans: H.R. 6874 would increase the fees that VA charges borrowers for its loan guarantees. VA provides loan guarantees to lenders that allow eligible borrowers to obtain better loan terms—such as lower interest rates or smaller down payments—to purchase, construct, improve, or refinance a home. VA typically pays lenders up to 25 percent of the outstanding mortgage balance if a borrower's home is foreclosed upon. Those payments, net of fees paid by borrowers and recoveries by lenders, constitute the subsidy cost for the loan guarantees.¹ That subsidy cost is recorded in the budget as direct spending.

Under current law, the rates for most of the fees that borrowers pay to VA for loans guaranteed after November 15, 2031, will drop from a weighted average of about 2.3 percent to about 1.2 percent of the loan amount. The bill would extend the higher rates through November 28, 2031. CBO estimates that extending the higher rates for such a short duration would not significantly change direct spending because most borrowers would be able to delay their closing date to avoid paying the higher fee rates.

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

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) is inapplicable to H.R. 6874 as amended.

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

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. 6874, as amended.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 6874, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 6874, as amended, would establish or reauthorize 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.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section would establish the short title of the bill as the “Department of Veterans Affairs Watching over Electronic Benefits Act,” or the “VA WEB Act”.

Section 2. System or process to actively monitor certain functions of the covered website for adverse events

Subsection (a) would require the Secretary to develop and implement a system or process to actively monitor VA.gov, and its underlying systems or interfaces, for adverse events no later than one year after of the enactment of this Act and allow the Secretary to use certain authorities granted under P.L. 117–168 to carry out this subsection.

Subsection (b) defines the requirements for the system or process described in subsection (a).

Subsection (c) would require a report in the event of a “significant adverse event,” as defined in subsection (f).

Subsection (d) would require a report to certain congressional committees about the exercise of such authorities as described in subsection (a).

Subsection (e) would require the Secretary to submit a report to certain congressional committees on a strategy to reduce the occurrence of adverse events by improving testing for software updates to VA.gov or underlying system or interface.

Subsection (f) includes definitions of key terms in this section.

Section 3. Adjustment of certain loan fees

This section would offset the costs of the other sections of the bill by extending current VA home loan funding fee rates as established in 38 U.S.C. § 3729, from November 14, 2031, to November 28, 2031.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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

TITLE 38, UNITED STATES CODE

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * *

CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

* * * * *

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

* * * * *

§ 3729. Loan fee

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

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

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

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

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020).	2.15	2.40	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before April 7, 2023).	2.30	2.30	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after April 7, 2023, and before November 15, 2031).	2.15	2.15	NA
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after November 15, 2031).	1.40	1.40	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020).	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before April 7, 2023).	3.60	3.60	NA
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after April 7, 2023, and before November 15, 2031).	3.30	3.30	NA
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after November 15, 2031).	1.25	1.25	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020).	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before April 7, 2023).	1.65	1.65	NA
(C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after April 7, 2023, and before November [15] 28 , 2031).	1.50	1.50	NA
(C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after November [15] 28 , 2031).	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 April 7, 2023).	1.40	1.40	NA
(D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after April 7, 2023, and before November [15] 28 , 2031).	1.25	1.25	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after November 15, 2031).	0.50	0.50	NA
(E) Interest rate reduction refinancing loan.	0.50	0.50	NA
(F) Direct loan under section 3711.	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan).	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan).	1.25	1.25	NA
(I) Loan assumption under section 3714.	0.50	0.50	0.50
(J) Loan under section 3733(a).	2.25	2.25	2.25.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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