

105TH CONGRESS
1ST SESSION

H. R. 1241

To amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 1997

Mr. KLECZKA (for himself, Mr. HERGER, Mr. GONZALEZ, Mr. FAZIO of California, Ms. JACKSON-LEE of Texas, Mr. FROST, Mr. RAHALL, Mr. FILNER, Ms. PELOSI, Mr. BARRETT of Wisconsin, Mr. SENSENBRENNER, Ms. FURSE, Mr. DEFazio, Mr. HAYWORTH, Mr. MATSUI, Mr. NEY, and Mr. CUNNINGHAM) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans American
5 Dream Homeownership Assistance Act of 1997”.

1 **SEC. 2. ELIGIBILITY OF VETERANS FOR MORTGAGE REVE-**
2 **NUE BONDS DETERMINED BY STATES.**

3 (a) IN GENERAL.—Section 143(l) of the Internal
4 Revenue Code of 1986 (relating to additional requirements
5 for qualified veterans' mortgage bonds) is amended by
6 striking paragraph (4) and by inserting after paragraph
7 (5) the following new paragraph:

8 “(6) QUALIFIED VETERAN.—For purposes of
9 this subsection, the term ‘qualified veteran’ means
10 any veteran—

11 “(A) who meets such requirements as may
12 be imposed by the State law pursuant to which
13 qualified veterans' mortgage bonds are issued,

14 “(B) who applied for the financing before
15 the date 30 years after the last date on which
16 such veteran left active service, and

17 “(C) in the case of financing provided by
18 the proceeds of bonds issued during the period
19 beginning July 19, 1984, and ending June 30,
20 1998, who served on active duty at some time
21 before January 1, 1977.”

22 (b) EFFECTIVE DATE.—The amendments made by
23 subsection (a) shall apply to bonds issued after the date
24 of the enactment of this Act.

1 **SEC. 3. STATE CAP RESTRICTIONS.**

2 (a) IN GENERAL.—Section 143(l) of the Internal
3 Revenue Code of 1986 (relating to additional requirements
4 for qualified veterans’ mortgage bonds), as amended by
5 section 2(a), is amended by inserting after paragraph (3)
6 the following new paragraph:

7 “(4) SUBCAP RESTRICTION.—

8 “(A) IN GENERAL.—An issue meets the re-
9 quirements of this paragraph only if the
10 amount of bonds issued pursuant thereto that
11 is to be used to provide financing to mortgagors
12 who have not served on active duty at some
13 time before January 1, 1977, when added to
14 the amount of the aggregate qualified veterans’
15 mortgage bonds previously issued by the State
16 during the calendar year that is to be so used,
17 does not exceed the subcap amount.

18 “(B) SUBCAP AMOUNT.—

19 “(i) IN GENERAL.—The subcap
20 amount for any calendar year is an
21 amount equal to the applicable percentage
22 of the State veterans limit for such year.

23 “(ii) APPLICABLE PERCENTAGE.—For
24 purposes of clause (i), the applicable per-
25 centage shall be determined under the fol-
26 lowing table:

| “Calendar year: | Applicable Percentage: |
|---------------------------|-----------------------------------|
| 1998 | 10 |
| 1999 | 20 |
| 2000 | 30 |
| 2001 | 40 |
| 2002 and thereafter | 50.” |

1 (b) RESTRICTION ON OVERALL STATE CAP.—Para-
2 graph (3)(B) of section 143(l) of such Code (relating to
3 State veterans limit) is amended by adding at the end the
4 following flush sentence:

5 “In no event shall the State veterans limit ex-
6 ceed \$340,000,000 for any calendar year after
7 1998.”

8 (c) CONFORMING AMENDMENT.—Paragraph (1) of
9 section 143(l) of such Code is amended by striking “and
10 (3)” and inserting “, (3), and (4)”.

11 (d) EFFECTIVE DATE.—The amendments made
12 by this section shall apply to bonds issued after
13 December 31, 1997.

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