

108TH CONGRESS
1ST SESSION

H. R. 3413

To amend title 38, United States Code, to prohibit additional daily interest charges following prepayment in full of housing loans guaranteed by the Department of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 30, 2003

Mr. EVANS (for himself, Mr. TOM DAVIS of Virginia, and Mr. WAXMAN) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to prohibit additional daily interest charges following prepayment in full of housing loans guaranteed by the Department of Veterans Affairs.

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 Home Loan
5 Prepayment Protection Act of 2003”.

1 **SEC. 2. PROHIBITION OF ADDITIONAL DAILY INTEREST**
2 **CHARGES FOLLOWING PREPAYMENT IN FULL**
3 **OF HOUSING LOANS GUARANTEED BY THE**
4 **SECRETARY OF VETERANS AFFAIRS.**

5 (a) IN GENERAL.—Section 3703 of title 38, United
6 States Code, is amended by adding at the end the fol-
7 lowing new subsection:

8 “(g)(1) In the case of prepayment in full by a veteran
9 of a loan guaranteed under this chapter, such prepayment
10 shall be credited on the date of receipt of the prepayment
11 at the business location of a residential mortgage lender,
12 and no interest may be charged to the veteran with respect
13 to that loan thereafter.

14 “(2) For purposes of paragraph (1), in determining
15 the date of receipt of a prepayment tendered at a business
16 location of a residential mortgage lender, a prepayment
17 received on a calender day during any business hour of
18 that business location shall be treated as being received
19 on that day.

20 “(3) For purposes of this subsection, a business hour
21 of a business location of a residential mortgage lender at
22 which prepayment in full is tendered includes any business
23 hour of that business location during which—

24 “(A) the business location offers any services to
25 customers or for the convenience of the public, and

1 “(B) any officer of the lender at that business
2 location is present in an official capacity.

3 “(4) An officer of a residential mortgage lender that
4 receives prepayment in full from a veteran of a loan guar-
5 anteed under this chapter at a business location of that
6 lender during business hours shall, immediately upon re-
7 ceipt of the prepayment, stamp or otherwise record the
8 date of receipt in the records of the lender.

9 “(5) Any cutoff hour established by a residential
10 mortgage lender at any business location of the lender for
11 purposes of determining the date of receipt of prepayment
12 in full of a loan shall not apply to prepayment in full by
13 a veteran of a loan guaranteed under this chapter.

14 “(6)(A) The provisions of this subsection shall apply
15 to prepayments in full that satisfy in full the obligation
16 of the veteran under the loan guaranteed under this chap-
17 ter through such means as cash, a cashier’s check, a cer-
18 tified check, electronic transfer of funds, or such other
19 means routinely acceptable for payment by the residential
20 mortgage lender.”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall apply to loans guaranteed by the Sec-
23 retary of Veterans Affairs on or after the date of the en-
24 actment of this Act.

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