

108TH CONGRESS  
2D SESSION

# S. 2534

To amend title 38, United States Code, to extend and enhance benefits under the Montgomery GI Bill, to improve housing benefits for veterans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 16, 2004

Mr. GRAHAM of Florida introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to extend and enhance benefits under the Montgomery GI Bill, to improve housing benefits for veterans, 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 “Montgomery GI Bill  
5 for the 21st Century Act”.

1 **SEC. 2. EXCLUSION OF BASIC PAY CONTRIBUTIONS FOR**  
 2 **PARTICIPATION IN BASIC EDUCATIONAL AS-**  
 3 **SISTANCE IN CERTAIN COMPUTATIONS ON**  
 4 **STUDENT FINANCIAL AID.**

5 (a) EXCLUSION.—Subchapter II of chapter 30 of title  
 6 38, United States Code, is amended by adding at the end  
 7 the following new section:

8 **“§ 3020A. Exclusion of basic pay contributions in cer-**  
 9 **tain computations on student financial**  
 10 **aid**

11 “(a) IN GENERAL.—The expected family contribution  
 12 computed under section 475, 476, or 477 of the Higher  
 13 Education Act of 1965 (20 U.S.C. 1087oo, 1087pp,  
 14 1087qq) for a covered student shall be decreased by  
 15 \$1,200 for the applicable year.

16 “(b) DEFINITIONS.—In this section:

17 “(1) The term ‘academic year’ has the meaning  
 18 given the term in section 481(a)(2) of the Higher  
 19 Education Act of 1965 (20 U.S.C. 1088(a)(2)).

20 “(2) The term ‘applicable year’ means the first  
 21 academic year for which a student uses entitlement  
 22 to basic educational assistance under this chapter.

23 “(3) The term ‘covered student’ means any in-  
 24 dividual entitled to basic educational assistance  
 25 under this chapter whose basic pay or voluntary sep-  
 26 aration incentives was or were subject to reduction

1 under section 3011(b), 3012(c), 3018(c), 3018A(b),  
2 or 3018B(b) of this title.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 at the beginning of such chapter is amended by inserting  
5 after the item relating to section 3020 the following new  
6 item:

“3020A. Exclusion of basic pay contributions in certain computations on student  
financial aid.”.

7 **SEC. 3. OPPORTUNITY FOR ENROLLMENT IN BASIC EDU-**  
8 **CATIONAL ASSISTANCE PROGRAM OF CER-**  
9 **TAIN INDIVIDUALS WHO PARTICIPATED OR**  
10 **WERE ELIGIBLE TO PARTICIPATE IN POST-**  
11 **VIETNAM ERA VETERANS EDUCATIONAL AS-**  
12 **SISTANCE PROGRAM.**

13 (a) OPPORTUNITY FOR ENROLLMENT.—Section  
14 3018C(e) of title 38, United States Code, is amended—

15 (1) in paragraph (1), by inserting “or (3)”  
16 after “paragraph (2)”;

17 (2) by redesignating paragraphs (3), (4), and  
18 (5) as paragraphs (4), (5), and (6), respectively;

19 (3) by inserting after paragraph (2) the fol-  
20 lowing new paragraph (3):

21 “(3) A qualified individual referred to in paragraph  
22 (1) is also an individual who meets each of the following  
23 requirements:

1           “(A) The individual is a participant in the edu-  
2           cational benefits program under chapter 32 of this  
3           title as of the date of the enactment of the Mont-  
4           gomery GI Bill for the 21st Century Act, or was eli-  
5           gible to participate in such program, but had not  
6           participated in that program or any other edu-  
7           cational benefits program under this title, as of that  
8           date.

9           “(B) The individual meets the requirements of  
10          subsection (a)(3).

11          “(C) The individual, when discharged or re-  
12          leased from active duty, is discharged or released  
13          therefrom with an honorable discharge.”;

14          (4) in paragraph (5), as so redesignated, by  
15          striking “paragraph (3)(A)(ii)” and inserting “para-  
16          graph (4)(A)(ii)”;

17          (5) in paragraph (6), as so redesignated, by in-  
18          serting “, or individuals eligible to participate in  
19          that program who have not participated in that pro-  
20          gram or any other educational benefits program  
21          under this title,” after “chapter 32 of this title”.

22          (b) CONFORMING AND CLERICAL AMENDMENTS.—

23          (1) The heading of such section is amended to read as  
24          follows:

1 **“§ 3018C. Opportunity to enroll: certain VEAP par-**  
 2 **ticipants; certain individuals eligible for**  
 3 **participation in VEAP”.**

4 (2) The table of sections at the beginning of chapter  
 5 30 of such title is amended by striking the item relating  
 6 to section 3018C and inserting the following new item:

“3018C. Opportunity to enroll: certain VEAP participants; certain individuals  
 eligible for participation in VEAP.”.

7 **SEC. 4. COMMENCEMENT OF 10-YEAR DELIMITING PERIOD**  
 8 **FOR VETERANS, SURVIVORS, AND DEPEND-**  
 9 **ENTS WHO ENROLL IN TRAINING PROGRAM.**

10 (a) VETERANS.—Section 3031 of title 38, United  
 11 States Code, is amended—

12 (1) in subsection (a), by striking “through (g),  
 13 and subject to subsection (h)” and inserting  
 14 “through (h), and subject to subsection (i)”;

15 (2) by redesignating subsection (h) as sub-  
 16 section (i); and

17 (3) by inserting after subsection (g) the fol-  
 18 lowing new subsection (h):

19 “(h) In the case of an individual eligible for edu-  
 20 cational assistance under this chapter who, during the 10-  
 21 year period described in subsection (a) of this section, en-  
 22 rolls in a program of training under this chapter, the pe-  
 23 riod during which the individual may use the individual’s  
 24 entitlement to educational assistance under this chapter

1 expires on the last day of the 10-year period beginning  
2 on the first day of the individual's pursuit of such program  
3 of training.”.

4 (b) ELIGIBLE CHILDREN.—Subsection (a) of section  
5 3512 of such title is amended—

6 (1) in paragraph (6)(B), by striking “and” at  
7 the end;

8 (2) in paragraph (7), by striking the period at  
9 the end and inserting “; and”; and

10 (3) by adding at the end the following new  
11 paragraph:

12 “(8) if the person enrolls in a program of spe-  
13 cial restorative training under subchapter V of this  
14 chapter, such period shall begin on the first day of  
15 the person's pursuit of such program of special re-  
16 storative training.”.

17 (c) ELIGIBLE SURVIVING SPOUSES.—Subsection (b)  
18 of such section is amended by adding at the end the fol-  
19 lowing new paragraph:

20 “(3) Notwithstanding the provisions of paragraph (1)  
21 of this subsection, any eligible person (as defined in sec-  
22 tion 3501(a)(1)(B) or (D)(ii) of this title) who, during the  
23 10-year period described in paragraph (1) of this sub-  
24 section, enrolls in a program of special restorative training  
25 under subchapter V of this chapter may be afforded edu-

1 cational assistance under this chapter during the 10-year  
 2 period beginning on the first day of the individual's pur-  
 3 suit of such program of special restorative training.”.

4 **SEC. 5. AVAILABILITY OF EDUCATION BENEFITS FOR PAY-**  
 5 **MENT FOR NATIONAL ADMISSIONS EXAMS**  
 6 **AND NATIONAL EXAMS FOR CREDIT AT INSTI-**  
 7 **TUTIONS OF HIGHER EDUCATION.**

8 (a) COVERED EXAMS.—Sections 3452(b) and  
 9 3501(a)(5) of title 38, United States Code, are each  
 10 amended by adding at the end the following new sentence:  
 11 “Such term also includes national tests for admission to  
 12 institutions of higher learning or graduate schools (such  
 13 as the SAT, LSAT, GRE, and GMAT exams) and na-  
 14 tional tests providing an opportunity for course credit at  
 15 institutions of higher learning (such as the AP exam).”.

16 (b) AMOUNT OF PAYMENT.—

17 (1) CHAPTER 30.—Section 3032 of such title is  
 18 amended by adding at the end the following new  
 19 subsection:

20 “(g)(1) Subject to paragraph (3), the amount of edu-  
 21 cational assistance payable under this chapter for a na-  
 22 tional test for admission or national test providing an op-  
 23 portunity for course credit at institutions of higher learn-  
 24 ing described in section 3452(b) of this title is the amount  
 25 of the fee charged for the test.

1       “(2) The number of months of entitlement charged  
2 in the case of any individual for a test described in para-  
3 graph (1) is equal to the number (including any fraction)  
4 determined by dividing the total amount of educational as-  
5 sistance paid such individual for such test by the full-time  
6 monthly institutional rate of educational assistance, except  
7 for paragraph (1), such individual would otherwise be paid  
8 under subsection (a)(1), (b)(1), (d), or (e)(1) of section  
9 3015 of this title, as the case may be.

10       “(3) In no event shall payment of educational assist-  
11 ance under this subsection for a test described in para-  
12 graph (1) exceed the amount of the individual’s available  
13 entitlement under this chapter.”.

14               (2) CHAPTER 32.—Section 3232 of such title is  
15 amended by adding at the end the following new  
16 subsection:

17       “(d)(1) Subject to paragraph (3), the amount of edu-  
18 cational assistance payable under this chapter for a na-  
19 tional test for admission or national test providing an op-  
20 portunity for course credit at institutions of higher learn-  
21 ing described in section 3452(b) of this title is the amount  
22 of the fee charged for the test.

23       “(2) The number of months of entitlement charged  
24 in the case of any individual for a test described in para-  
25 graph (1) is equal to the number (including any fraction)

1 determined by dividing the total amount of educational as-  
2 sistance paid such individual for such test by the full-time  
3 monthly institutional rate of educational assistance, except  
4 for paragraph (1), such individual would otherwise be paid  
5 under this chapter.

6 “(3) In no event shall payment of educational assist-  
7 ance under this subsection for a test described in para-  
8 graph (1) exceed the amount of the individual’s available  
9 entitlement under this chapter.”.

10 (3) CHAPTER 34.—Section 3482 of such title is  
11 amended by adding at the end the following new  
12 subsection:

13 “(i)(1) Subject to paragraph (3), the amount of edu-  
14 cational assistance payable under this chapter for a na-  
15 tional test for admission or national test providing an op-  
16 portunity for course credit at institutions of higher learn-  
17 ing described in section 3452(b) of this title is the amount  
18 of the fee charged for the test.

19 “(2) The number of months of entitlement charged  
20 in the case of any individual for a test described in para-  
21 graph (1) is equal to the number (including any fraction)  
22 determined by dividing the total amount of educational as-  
23 sistance paid such individual for such test by the full-time  
24 monthly institutional rate of educational assistance, except

1 for paragraph (1), such individual would otherwise be paid  
2 under this chapter.

3 “(3) In no event shall payment of educational assist-  
4 ance under this subsection for a test described in para-  
5 graph (1) exceed the amount of the individual’s available  
6 entitlement under this chapter.”.

7 (4) CHAPTER 35.—Section 3532 of such title is  
8 amended by adding at the end the following new  
9 subsection:

10 “(g)(1) Subject to paragraph (3), the amount of edu-  
11 cational assistance payable under this chapter for a na-  
12 tional test for admission or national test providing an op-  
13 portunity for course credit at institutions of higher learn-  
14 ing described in section 3501(a)(5) of this title is the  
15 amount of the fee charged for the test.

16 “(2) The number of months of entitlement charged  
17 in the case of any individual for a test described in para-  
18 graph (1) is equal to the number (including any fraction)  
19 determined by dividing the total amount of educational as-  
20 sistance paid such individual for such test by the full-time  
21 monthly institutional rate of educational assistance, except  
22 for paragraph (1), such individual would otherwise be paid  
23 under this chapter.

24 “(3) In no event shall payment of educational assist-  
25 ance under this subsection for a test described in para-

1 graph (1) exceed the amount of the individual's available  
 2 entitlement under this chapter.”.

3 **SEC. 6. INCREASE IN MAXIMUM AMOUNT OF HOME LOAN**  
 4 **GUARANTY FOR CONSTRUCTION AND PUR-**  
 5 **CHASE OF HOMES AND ANNUAL INDEXING OF**  
 6 **AMOUNT.**

7 (a) MAXIMUM LOAN GUARANTY BASED ON 100 PER-  
 8 CENT OF FREDDIE MAC CONFORMING LOAN RATE.—Sec-  
 9 tion 3703(a)(1) of title 38, United States Code, is amend-  
 10 ed by striking “\$60,000” each place it appears in subpara-  
 11 graphs (A)(i)(IV) and (B) and inserting “the maximum  
 12 guaranty amount (as defined in subparagraph (C))”.

13 (b) DEFINITION.—Such section is further amended  
 14 by adding at the end the following new subparagraph:

15 “(C) In this paragraph, the term ‘maximum guaranty  
 16 amount’ means the dollar amount that is equal to 25 per-  
 17 cent of the Freddie Mac conforming loan limit limitation  
 18 determined under section 305(a)(2) of the Federal Home  
 19 Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2))  
 20 for a single-family residence, as adjusted for the year in-  
 21 volved.”.

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