

110TH CONGRESS
1ST SESSION

S. 1409

To provide and enhance education, housing, and entrepreneur assistance for veterans who serve in the Armed Forces after September 11, 2001, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 16, 2007

Mrs. CLINTON introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To provide and enhance education, housing, and entrepreneur assistance for veterans who serve in the Armed Forces after September 11, 2001, 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 “21st Century GI Bill
5 of Rights Act of 2007”.

6 **SEC. 2. EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE**
7 **ARMED FORCES WHO SERVE AFTER SEP-**
8 **TEMBER 11, 2001.**

9 (a) EDUCATIONAL ASSISTANCE AUTHORIZED.—

1 (1) IN GENERAL.—Part III of title 38, United
 2 States Code, is amended by inserting after chapter
 3 32 the following new chapter:

4 **“CHAPTER 33—EDUCATIONAL ASSIST-**
 5 **ANCE FOR SERVICE AFTER SEP-**
 6 **TEMBER 11, 2001**

“SUBCHAPTER I—DEFINITIONS

“Sec.

“3301. Definitions.

“SUBCHAPTER II—EDUCATIONAL ASSISTANCE

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

“3312. Educational assistance: duration.

“3313. Educational assistance: payment; amount.

“3314. Tutorial assistance.

“3315. Licensure and certification tests.

“SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

“3321. Time limitation for use of and eligibility for entitlement.

“3322. Bar to duplication of educational assistance benefits.

“3323. Administration.

“3324. Allocation of administration and costs.

7 “SUBCHAPTER I—DEFINITIONS

8 **“§ 3301. Definitions**

9 “In this chapter:

10 “(1) The term ‘active duty’ has the meaning
 11 given such term in sections 101 and 3002(7) of this
 12 title and includes the limitations specified in section
 13 3002(6) of this title.

14 “(2) The terms ‘program of education’, ‘Sec-
 15 retary of Defense’, and ‘Selected Reserve’ have the

1 meaning given such terms in section 3002 of this
 2 title.

3 “SUBCHAPTER II—EDUCATIONAL ASSISTANCE
 4 **“§ 3311. Educational assistance for service in the**
 5 **Armed Forces after September 11, 2001:**
 6 **entitlement**

7 “(a) ENTITLEMENT.—Except as provided in sub-
 8 section (c), each individual described in subsection (b) is
 9 entitled to educational assistance under this chapter.

10 “(b) COVERED INDIVIDUALS.—An individual de-
 11 scribed in this subsection is any individual as follows:

12 “(1) A member of the Armed Forces who, while
 13 serving on active duty in the Armed Forces after
 14 September 11, 2001, is deployed overseas.

15 “(2) A member of the Armed Forces or a Re-
 16 serve of the Armed Forces (including a member of
 17 the National Guard and a member of the Reserves)
 18 who—

19 “(A) serves on active duty in the Armed
 20 Forces after September 11, 2001, for an aggre-
 21 gate of at least two years; or

22 “(B) before completing the aggregate of
 23 service described in subparagraph (A) while
 24 serving on active duty in the Armed Forces

1 after September 11, 2001, is discharged as de-
2 scribed in subsection (d) after that date.

3 “(c) EXCEPTION FOR INDIVIDUALS WHO RECEIVE A
4 COMMISSION AS AN OFFICER UPON GRADUATION FROM
5 AN ACADEMY.—An individual who receives a commission
6 as an officer in the Armed Forces upon graduation from
7 the United States Military Academy, the United States
8 Naval Academy, the United States Air Force Academy,
9 the United States Merchant Marine Academy, or the
10 Coast Guard Academy is not entitled to educational assist-
11 ance under this chapter.

12 “(d) CERTAIN DISCHARGE OR RELEASE PROVIDING
13 EXCEPTION FROM SERVICE REQUIREMENTS.—A dis-
14 charge or release described in this subsection is a dis-
15 charge or release from service in the Armed Forces for—

16 “(1) a service-connected disability;

17 “(2) a medical condition which preexisted such
18 service and which the Secretary determines is not
19 service-connected;

20 “(3) hardship; or

21 “(4) a physical or mental condition that was
22 not characterized as a disability and did not result
23 from the individual’s own willful misconduct but did
24 interfere with the individual’s performance of duty,
25 as determined by the Secretary of each military de-

1 partment in accordance with regulations prescribed
2 by the Secretary of Defense.

3 **“§ 3312. Educational assistance: duration**

4 “Subject to section 3695 of this title, an individual
5 entitled to educational assistance under section 3311 of
6 this title is entitled to 36 months, which is the equivalent
7 of four academic years, of educational assistance under
8 section 3313 of this title.

9 **“§ 3313. Educational assistance: payment; amount**

10 “(a) PAYMENT.—The Secretary shall pay to each in-
11 dividual entitled to educational assistance under this chap-
12 ter who is pursuing an approved program of education
13 (other than a program covered by subsections (e) and (f))
14 the amounts specified in subsection (c) to meet the ex-
15 penses of such individual’s subsistence, tuition, fees, and
16 other educational costs for pursuit of such program of
17 education.

18 “(b) APPROVED PROGRAMS OF EDUCATION.—(1)
19 Except as provided in paragraph (1), a program of edu-
20 cation is an approved program of education for purposes
21 of this chapter if the program of education is approved
22 for purposes of chapter 30 of this title.

23 “(2) A program of education to obtain a graduate
24 degree is not an approved program of education for the
25 purposes of this chapter.

1 “(c) AMOUNT OF EDUCATIONAL ASSISTANCE.—(1)

2 The amounts payable under this subsection for pursuit of
3 an approved program of education are amounts as follows:

4 “(A) An amount equal to the established
5 charges (as determined in accordance with sub-
6 section (h)) for the program of education.

7 “(B) Subject to paragraph (2), an amount
8 equal to the room and board of the individual.

9 “(2) The amount payable under paragraph (1)(B) for
10 room and board of an individual may not exceed an
11 amount equal to the standard dormitory fee, or such
12 equivalent fee as the Secretary shall specify in regulations,
13 which similarly circumstanced nonveterans enrolled in the
14 program of education involved would be required to pay.

15 “(d) FREQUENCY OF PAYMENT.—(1) Payment of the
16 amounts payable under subsection (c)(1) for pursuit of a
17 program of education shall be made at such time and with
18 such frequency as the Secretary shall prescribe for pur-
19 poses of this chapter. Such payment may include payment
20 in a lump-sum amount for the entire quarter, semester,
21 or term, as applicable, of the program of education before
22 the commencement of such quarter, semester, or term.

23 “(2) The Secretary shall prescribe in regulations
24 methods for determining the number of months (including
25 fractions thereof) of entitlement of an individual to edu-

1 cational assistance under this chapter that are chargeable
 2 under this chapter for payments of amounts in accordance
 3 with this subsection, including payments on a lump-sum
 4 basis in advance as authorized by paragraph (1).

5 “(3) Payment of amounts described in paragraph (1)
 6 for pursuit of a program of education may not be made
 7 to an individual before the date of the enrollment of such
 8 individual in the program of education for which payment
 9 is sought by such individual.

10 “(e) PROGRAMS OF EDUCATION PURSUED ON AC-
 11 TIVE DUTY.—(1) Educational assistance is payable under
 12 this chapter for pursuit of an approved program of edu-
 13 cation while on active duty.

14 “(2) The amount of educational assistance payable
 15 under this chapter to an individual pursuing a program
 16 of education while on active duty is the lesser of—

17 “(A) the established charges (as determined in
 18 accordance with subsection (h)) for the program of
 19 education; or

20 “(B) the amount of the charges of the edu-
 21 cational institution as elected by the individual in
 22 the manner specified in section 3014(b) of this title.

23 “(3) Payment of the amount payable under para-
 24 graph (2) for pursuit of a program of education shall be
 25 made in a lump-sum amount for the entire quarter, semes-

1 ter, or term, as applicable, of the program of education
 2 before the commencement of such quarter, semester, or
 3 term.

4 “(4) For each month (as determined pursuant to the
 5 methods prescribed under subsection (d)(2)) for which
 6 amounts are paid an individual under this subsection, the
 7 entitlement of the individual to educational assistance
 8 under this chapter shall be charged at the rate of one
 9 month for each such month.

10 “(f) PROGRAMS OF EDUCATION PURSUED ON LESS
 11 THAN HALF-TIME BASIS.—(1) Educational assistance is
 12 payable under this chapter for pursuit of an approved pro-
 13 gram of education on less than half-time basis.

14 “(2) The amount of educational assistance payable
 15 under this chapter to an individual pursuing a program
 16 of education on less than half-time basis is the established
 17 charges (as determined in accordance with subsection (h))
 18 for the program of education.

19 “(3) Payment of the amount payable under this chap-
 20 ter to an individual for pursuit of a program of education
 21 on less than half-time basis shall be made in a lump-sum,
 22 and shall be made not later than the last day of the month
 23 immediately following the month in which certification is
 24 received from the educational institution involved that the

1 individual has enrolled in and is pursuing a program of
2 education at the institution.

3 “(4) For each month (as determined pursuant to the
4 methods prescribed under subsection (d)(2)) for which
5 amounts are paid an individual under this subsection, the
6 entitlement of the individual to educational assistance
7 under this chapter shall be charged at a percentage of a
8 month equal to—

9 “(A) the number of course hours borne by the
10 individual in pursuit of the program of education in-
11 volved, divided by

12 “(B) the number of course hours for full-time
13 pursuit of such program of education.

14 “(g) SPECIALIZED TRAINING AND CERTIFICATION
15 PROGRAMS FOR VETERANS WITH SERVICE-CONNECTED
16 DISABILITIES.—(1) Educational assistance is payable
17 under this chapter for—

18 “(A) an approved program of education that
19 consists of specialized training for veterans with
20 service-connected disabilities; or

21 “(B) an approved program of education that is
22 a certification program for veterans with service-con-
23 nected disabilities.

24 “(2) The amount of educational assistance payable
25 under this chapter to an individual pursuing a program

1 of education pursuant to paragraph (1) is the established
2 charges (as determined in accordance with subsection (h))
3 for the program of education.

4 “(h) ESTABLISHED CHARGES.—(1) Subject to the
5 provisions of this subsection, in subsections (c), (e), (f),
6 and (g) the term ‘established charges’, in the case of a
7 program of education, means the actual charges (as deter-
8 mined pursuant to regulations prescribed by the Secretary
9 in consultation with the Secretary of Education) for tui-
10 tion, fees (including required supplies, books, and equip-
11 ment), and other educational costs which similarly
12 circumstanced nonveterans enrolled in the program of
13 education would be required to pay.

14 “(2) The maximum amount of charges payable for
15 tuition under this subsection as part of the established
16 charges for a program of education pursued by an indi-
17 vidual under subsections (c), (e), (f), and (g) may not ex-
18 ceed the national average amount of tuition regularly
19 charged for full-time pursuit of programs of education at
20 public and private institutions of higher education that
21 typically require 36 months, which is the equivalent of
22 four academic years, to complete.

23 “(3) Established charges shall be determined for pur-
24 poses of this subsection on the following basis:

1 “(A) In the case of an individual enrolled in a
2 program of education offered on a term, quarter, or
3 semester basis, the tuition and fees charged the indi-
4 vidual for the term, quarter, or semester.

5 “(B) In the case of an individual enrolled in a
6 program of education not offered on a term, quarter,
7 or semester basis, the tuition and fees charged the
8 individual for the entire program of education.

9 **“§ 3314. Tutorial assistance**

10 “(a) IN GENERAL.—Subject to subsection (b), an in-
11 dividual entitled to educational assistance under this chap-
12 ter shall also be entitled to benefits provided an eligible
13 veteran under section 3492 of this title.

14 “(b) CONDITIONS.—The provision of benefits under
15 subsection (a) shall be subject to the conditions applicable
16 to an eligible veteran under section 3492 of this title.

17 “(c) NO CHARGE AGAINST ENTITLEMENT.—Any
18 benefits provided an individual under subsection (a) are
19 in addition to any other educational assistance benefits
20 provided the individual under this chapter.

21 **“§ 3315. Licensure and certification tests**

22 “(a) IN GENERAL.—An individual entitled to edu-
23 cational assistance under this chapter shall also be entitled
24 to payment for licensing or certification tests described in
25 section 3452(b) of this title.

1 “(b) NO CHARGE AGAINST ENTITLEMENT.—Any
 2 amount paid an individual under subsection (a) is in addi-
 3 tion to any other educational assistance benefits provided
 4 the individual under this chapter.

5 “SUBCHAPTER III—ADMINISTRATIVE
 6 PROVISIONS

7 **“§ 3321. Time limitation for use of and eligibility for**
 8 **entitlement**

9 “(a) IN GENERAL.—Except as otherwise provided in
 10 subsection (b), the period during which an individual enti-
 11 tled to educational assistance under this chapter may use
 12 such individual’s entitlement expires at the end of the 10-
 13 year period beginning on the date of such individual’s last
 14 discharge or release from active duty.

15 “(b) EXCEPTIONS.—(1) Subsections (b), (c), and (d)
 16 of section 3031 of this title shall apply with respect to
 17 the running of the 10-year period described in subsection
 18 (a) of this section in the same manner as such subsections
 19 apply under section 3031 of this title with respect to the
 20 running of the 10-year period described in section 3031(a)
 21 of this title.

22 “(2) Section 3031(f) of this title shall apply with re-
 23 spect to the termination of an individual’s entitlement to
 24 educational assistance under this chapter in the same
 25 manner as such section applies to the termination of an

1 individual's entitlement to educational assistance under
 2 chapter 30 of this title, except that, in the administration
 3 of such section for purposes of this chapter, the reference
 4 to section 3013 of this title shall be deemed to be a ref-
 5 erence to 3312 of this title.

6 **“§ 3322. Bar to duplication of educational assistance**
 7 **benefits**

8 “(a) IN GENERAL.—An individual entitled to edu-
 9 cational assistance under this chapter who is also eligible
 10 for educational assistance under chapter 30, 31, 32, or
 11 35 of this title, chapter 107, 1606, or 1607 of title 10,
 12 or the provisions of the Hostage Relief Act of 1980 (Public
 13 Law 96–449; 5 U.S.C. 5561 note) may not receive assist-
 14 ance under two or more such programs concurrently, but
 15 shall elect (in such form and manner as the Secretary may
 16 prescribe) under which chapter or provisions to receive
 17 educational assistance.

18 “(b) INAPPLICABILITY OF SERVICE TREATED UNDER
 19 EDUCATIONAL LOAN REPAYMENT PROGRAMS.—A period
 20 of service counted for purposes of repayment of an edu-
 21 cation loan under chapter 109 of title 10 may not be
 22 counted as a period of service for entitlement to edu-
 23 cational assistance under this chapter.

24 “(c) SERVICE IN SELECTED RESERVE.—An indi-
 25 vidual who serves in the Selected Reserve may receive

1 credit for such service under only one of this chapter,
 2 chapter 30 of this title, and chapters 1606 and 1607 of
 3 title 10, and shall elect (in such form and manner as the
 4 Secretary may prescribe) under which chapter such service
 5 is to be credited.

6 “(d) ADDITIONAL COORDINATION MATTERS.—In the
 7 case of an individual entitled to educational assistance
 8 under chapter 30, 31, 32, or 35 of this title, chapter 107,
 9 1606, or 1607 of title 10, or the provisions of the Hostage
 10 Relief Act of 1980, or making contributions toward enti-
 11 tlement to educational assistance under chapter 30 of this
 12 title, as of the date of the enactment of the 21st Century
 13 GI Bill of Rights Act of 2007, coordination of entitlement
 14 to educational assistance under this chapter, on the one
 15 hand, and such chapters or provisions, on the other, shall
 16 be governed by the provisions of section 2(c) of the 21st
 17 Century GI Bill of Rights Act of 2007.

18 **“§ 3323. Administration**

19 “(a) IN GENERAL.—(1) Except as otherwise provided
 20 in this chapter, the provisions specified in section
 21 3034(a)(1) of this title shall apply to the provision of edu-
 22 cational assistance under this chapter.

23 “(2) In applying the provisions referred to in para-
 24 graph (1) to an individual entitled to educational assist-
 25 ance under this chapter for purposes of this section, the

1 reference in such provisions to the term ‘eligible veteran’
2 shall be deemed to refer to an individual entitled to edu-
3 cational assistance under this chapter.

4 “(3) In applying section 3474 of this title to an indi-
5 vidual entitled to educational assistance under this chapter
6 for purposes of this section, the reference in such section
7 3474 to the term ‘educational assistance allowance’ shall
8 be deemed to refer to educational assistance payable under
9 section 3313 of this title.

10 “(4) In applying section 3482(g) of this title to an
11 individual entitled to educational assistance under this
12 chapter for purposes of this section—

13 “(A) the first reference to the term ‘educational
14 assistance allowance’ in such section 3482(g) shall
15 be deemed to refer to educational assistance payable
16 under section 3313 of this title; and

17 “(B) the first sentence of paragraph (1) of such
18 section 3482(g) shall be applied as if such sentence
19 ended with ‘equipment’.

20 “(b) INFORMATION ON BENEFITS.—(1) The Sec-
21 retary of Veterans Affairs shall provide the information
22 described in paragraph (2) to each member of the Armed
23 Forces at such times as the Secretary of Veterans Affairs
24 and the Secretary of Defense shall jointly prescribe in reg-
25 ulations.

1 “(2) The information described in this paragraph is
 2 information on benefits, limitations, procedures, eligibility
 3 requirements (including time-in-service requirements),
 4 and other important aspects of educational assistance
 5 under this chapter, including application forms for such
 6 assistance under section 5102 of this title.

7 “(3) The Secretary of Veterans Affairs shall furnish
 8 the information and forms described in paragraph (2), and
 9 other educational materials on educational assistance
 10 under this chapter, to educational institutions, training es-
 11 tablishments, military education personnel, and such other
 12 persons and entities as the Secretary considers appro-
 13 priate.

14 “(c) REGULATIONS.—(1) The Secretary shall pre-
 15 scribe regulations for the administration of this chapter.

16 “(2) Any regulations prescribed by the Secretary of
 17 Defense for purposes of this chapter shall apply uniformly
 18 across the Armed Forces.

19 **“§ 3324. Allocation of administration and costs**

20 “(a) ADMINISTRATION.—Except as otherwise pro-
 21 vided in this chapter, the Secretary shall administer the
 22 provision of educational assistance under this chapter.

23 “(b) COSTS.—Payments for entitlement to edu-
 24 cational assistance earned under this chapter shall be
 25 made from funds appropriated to, or otherwise made avail-

1 able to, the Department of Veterans Affairs for the pay-
 2 ment of readjustment benefits.”.

3 (2) CLERICAL AMENDMENTS.—The tables of
 4 chapters at the beginning of title 38, United States
 5 Code, and at the beginning of part III of such title,
 6 are each amended by inserting after the item relat-
 7 ing to chapter 32 the following new item:

**“33. Educational assistance for service after September
 11, 2001 3301”.**

8 (b) CONFORMING AMENDMENTS.—

9 (1) AMENDMENTS RELATING TO DUPLICATION
 10 OF BENEFITS.—

11 (A) Section 3033 of title 38, United States
 12 Code, is amended—

13 (i) in subsection (a)(1), by inserting
 14 “33,” after “32,”; and

15 (ii) in subsection (c), by striking
 16 “both the program established by this
 17 chapter and the program established by
 18 chapter 106 of title 10” and inserting “two
 19 or more of the programs established by
 20 this chapter, chapter 33 of this title, and
 21 chapters 1606 and 1607 of title 10”.

22 (B) Paragraph (4) of section 3695(a) of
 23 such title is amended to read as follows:

1 “(4) Chapters 30, 32, 33, 34, 35, and 36 of
2 this title.”.

3 (C) Section 16163(e) of title 10, United
4 States Code, is amended by inserting “33,”
5 after “32,”.

6 (2) ADDITIONAL CONFORMING AMENDMENTS.—

7 (A) Title 38, United States Code, is fur-
8 ther amended by inserting “33,” after “32,”
9 each place it appears in the following provi-
10 sions:

11 (i) In subsections (b) and (e)(1) of
12 section 3485.

13 (ii) In section 3688(b).

14 (iii) In subsections (a)(1), (c)(1),
15 (c)(1)(G), (d), and (e)(2) of section 3689.

16 (iv) In section 3690(b)(3)(A).

17 (v) In subsections (a) and (b) of sec-
18 tion 3692.

19 (vi) In section 3697(a).

20 (B) Section 3697A(b)(1) of such title is
21 amended by striking “or 32” and inserting “32,
22 or 33”.

23 (c) APPLICABILITY TO INDIVIDUALS UNDER MONT-
24 GOMERY GI BILL PROGRAM.—

1 (1) INDIVIDUALS ELIGIBLE TO ELECT PARTICI-
2 PATION IN EDUCATIONAL ASSISTANCE FOR SERVICE
3 AFTER SEPTEMBER 11, 2001.—An individual may
4 elect to receive education assistance under chapter
5 33 of title 38, United States Code (as added by sub-
6 section (a)), if such individual—

7 (A) as of the date of the enactment of this
8 Act—

9 (i) is entitled to basic educational as-
10 sistance under chapter 30 of title 38,
11 United States Code, and has used, but re-
12 tains unused, entitlement under that chap-
13 ter;

14 (ii) is entitled to educational assist-
15 ance under chapter 107, 1606, or 1607 of
16 title 10, United States Code, and has used,
17 but retains unused, entitlement under the
18 applicable chapter;

19 (iii) is entitled to basic educational as-
20 sistance under chapter 30 of title 38,
21 United States Code, but has not used any
22 such entitlement under that chapter;

23 (iv) is entitled to educational assist-
24 ance under chapter 107, 1606, or 1607 of
25 title 10, United States Code, but has not

used any such entitlement under such chapter;

(v) is a member of the Armed Forces who is eligible for receipt of basic educational assistance under chapter 30 of title 38, United States Code, and is making contributions toward such assistance under section 3011(b) or 3012(c) of such title; or

(vi) is a member of the Armed Forces who is not entitled to basic educational assistance under chapter 30 of title 38, United States Code, by reason of an election under section 3011(c)(1) or 3012(d)(1) of such title; and

(B) as of the date of the individual's election under this paragraph—

(i) otherwise meets the requirements for entitlement to educational assistance under chapter 33 of title 38, United States Code (as so added); or

(ii) is making progress toward meeting such requirements.

(2) ELECTION ON TREATMENT OF TRANSFERRED ENTITLEMENT.—

1 (A) ELECTION.—If, on the date an indi-
2 vidual described in subparagraph (A)(i) or
3 (A)(iii) of paragraph (1) makes an election
4 under that paragraph, a transfer of the entitle-
5 ment of the individual to basic educational as-
6 sistance under section 3020 of title 38, United
7 States Code, is in effect and a number of
8 months of the entitlement so transferred remain
9 unutilized, the individual may elect to revoke all
10 or a portion of the entitlement so transferred
11 that remains unutilized.

12 (B) AVAILABILITY OF REVOKED ENTITLE-
13 MENT.—Any entitlement revoked by an indi-
14 vidual under this paragraph shall no longer be
15 available to the dependent to whom transferred,
16 but shall be available to the individual instead
17 for educational assistance under chapter 33 of
18 title 38, United States Code (as so added), as
19 provided in paragraph (3)(B).

20 (C) AVAILABILITY OF UNREVOKED ENTI-
21 TLEMENT.—Any entitlement described in sub-
22 paragraph (A) that is not revoked by an indi-
23 vidual in accordance with that subparagraph
24 shall remain available to the eligible dependent
25 or dependents concerned in accordance with the

1 current transfer of such entitlement under sec-
2 tion 3020 of title 38, United States Code.

3 (3) EDUCATIONAL ASSISTANCE FOR SERVICE
4 AFTER SEPTEMBER 11, 2001.—

5 (A) IN GENERAL.—Subject to subpara-
6 graph (B), an individual making an election
7 under paragraph (1) shall be entitled to edu-
8 cational assistance under chapter 33 of title 38,
9 United States Code (as so added), in accord-
10 ance with the provisions of such chapter, in-
11 stead of basic educational assistance under
12 chapter 30 of title 38, United States Code, or
13 educational assistance under chapter 107,
14 1606, or 1607 of title 10, United States Code,
15 as applicable.

16 (B) LIMITATION ON ENTITLEMENT FOR
17 CERTAIN INDIVIDUALS.—In the case of an indi-
18 vidual making an election under paragraph (1)
19 who is described by subparagraph (A)(i) of that
20 paragraph, the number of months of entitle-
21 ment of such individual to educational assist-
22 ance under chapter 33 of title 38, United
23 States Code (as so added), shall be the number
24 of months equal to the number of months of
25 unused entitlement of such individual under

1 chapter 30 of title 38, United States Code, as
2 of the date of the election, including any num-
3 ber of months entitlement revoked by the indi-
4 vidual under paragraph (2)(A).

5 (4) TREATMENT OF CONTRIBUTIONS TOWARD
6 BASIC EDUCATIONAL ASSISTANCE; CESSATION OF
7 CONTRIBUTIONS.—Effective as of the first month
8 beginning on or after the date of an election under
9 paragraph (1) of an individual described by subpara-
10 graph (A)(v) of that paragraph, the obligation of
11 such individual to make contributions under section
12 3011(b) or 3012(c) of title 38, United States Code,
13 as applicable, shall cease, and the requirements of
14 such section shall be deemed to be no longer applica-
15 ble to such person.

16 (5) TERMINATION OF ENTITLEMENT UNDER
17 MONTGOMERY GI BILL.—Effective on the last day of
18 the month in which an individual makes an election
19 under paragraph (1), the entitlement, if any, of the
20 individual to basic educational assistance under
21 chapter 30 of title 38, United States Code, or edu-
22 cational assistance under chapter 107, 1606, or
23 1607 of title 10, United States Code, as applicable,
24 shall terminate.

1 (6) IRREVOCABILITY OF ELECTIONS.—An elec-
 2 tion under paragraph (1) or (2)(A) is irrevocable.

3 **SEC. 3. IMPROVEMENTS IN HOUSING BENEFITS FOR VET-**
 4 **ERANS.**

5 (a) INCREASE IN MAXIMUM GUARANTY AMOUNT OF
 6 HOME LOAN GUARANTY PROGRAM.—Section
 7 3703(a)(1)(C) of title 38, United States Code, is amend-
 8 ed—

9 (1) by striking “In this paragraph” and insert-
 10 ing “(i) In this paragraph”; and

11 (2) by adding at the end the following new
 12 clause:

13 “(ii) The Secretary shall increase the dollar amount
 14 described in clause (i) with respect to residences of a par-
 15 ticular size located in any area for which the median price
 16 for such size residence exceeds the dollar amount, to 25
 17 percent of the median price for such a residence in such
 18 area.”.

19 (b) REPEAL OF LOAN FUNDING FEES REQUIRE-
 20 MENT FOR HOUSING LOANS.—

21 (1) IN GENERAL.—Section 3729 of such title is
 22 repealed.

23 (2) CONFORMING AMENDMENTS.—(A) Section
 24 2041(b)(2) of such title is amended—

1 (i) in subparagraph (A), by adding “and”
 2 at the end;

3 (ii) in subparagraph (B), by striking “;
 4 and” and inserting a period; and

5 (iii) by striking subparagraph (C).

6 (B)(i) Section 3703 of such title is amended—

7 (I) by striking subsection (e); and

8 (II) by redesignating subsection (f) as sub-
 9 section (e).

10 (ii) Section 3732(a)(1) of such title is amended
 11 by striking “Except as provided in section 3703(e)
 12 of this title, if” and inserting “If”.

13 (C) Section 3722(c) of such title is amended by
 14 striking “section 3729 of this title or any other pro-
 15 vision of law or” and inserting “any provision of law
 16 or any”.

17 (D) Section 3734(b)(2) of such title is amend-
 18 ed—

19 (i) by striking subparagraph (A); and

20 (ii) by redesignating subparagraphs (B),
 21 (C), (D), and (E) as subparagraphs (A), (B),
 22 (C), and (D), respectively.

23 (3) CLERICAL AMENDMENT.—The table of sec-
 24 tions at the beginning of chapter 37 of such title is

1 amended by striking the item relating to section
2 3729.

3 (c) AUTHORIZATION OF APPROPRIATIONS FOR VET-
4 ERANS HOUSING BENEFIT PROGRAM FUND.—There are
5 authorized to be appropriated for the Veterans Housing
6 Benefit Program Fund under section 3722 of title 38,
7 United States Code, such sums as may be necessary to
8 carry out the amendments made by this section.

9 **SEC. 4. SMALL BUSINESS PROGRAMS FOR VETERANS.**

10 (a) DEFINITIONS.—In this section:

11 (1) INTERMEDIARY.—The term “intermediary”
12 has the meaning given that term in section 7(m)(11)
13 of the Small Business Act (15 U.S.C. 636(m)(11)).

14 (2) MICROLOAN PROGRAM.—The term
15 “Microloan Program” means the Microloan Program
16 under section 7(m) of the Small Business Act (15
17 U.S.C. 636(m)), as amended by this Act.

18 (3) VET CENTER.—The term “vet center”
19 means a center for the provision of readjustment
20 counseling and related mental health services under
21 section 1712A of title 38, United States Code.

22 (4) VETERAN.—The term “veteran” has the
23 meaning given that term in section 101 of title 38,
24 United States Code.

1 (b) MICROLOAN PROGRAM.—Section 7(m) of the
 2 Small Business Act (15 U.S.C. 636(m)) is amended by
 3 adding at the end the following:

4 “(14) LOANS TO VETERANS.—

5 “(A) IN GENERAL.—Notwithstanding any
 6 other provision of law—

7 “(i) any loan made to a veteran by an
 8 intermediary under this subsection shall
 9 have a rate of interest equal to not more
 10 than 2.5 percent; and

11 “(ii) an intermediary—

12 “(I) may make a loan to a vet-
 13 eran under this subsection in an
 14 amount of not more than \$100,000;
 15 and

16 “(II) shall not require collateral
 17 for any loan to a veteran under this
 18 subsection.

19 “(B) IDENTIFICATION.—The Adminis-
 20 trator, acting through the Associate Adminis-
 21 trator for Veterans Business Development,
 22 shall—

23 “(i) identify intermediaries willing
 24 to—

1 “(I) make loans to veterans on
2 the terms described in subparagraph
3 (A); and

4 “(II) assist veterans in obtaining
5 such loans; and

6 “(ii) establish a database of inter-
7 mediaries identified under clause (i).”.

8 (c) OUTREACH.—The Secretary of Veterans Af-
9 fairs—

10 (1) acting through vet centers, shall—

11 (A) provide technical assistance, outreach,
12 and counseling to veterans regarding the
13 Microloan Program; and

14 (B) serve as a liaison between veterans and
15 the Administrator of the Small Business Ad-
16 ministration and intermediaries for purposes of
17 the Microloan Program; and

18 (2) evaluate the efforts of the Department of
19 Veterans Affairs under paragraph (1).

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated to the Secretary of Vet-
22 erans Affairs and the Administrator of the Small Business
23 Administration such sums as may be necessary to carry

1 out the provisions of, and the amendments made by, this
2 section.

