

111TH CONGRESS
2D SESSION

H. R. 5838

To amend title 38, United States Code, to improve the multifamily transitional housing loan program of the Department of Veterans Affairs by requiring the Secretary of Veterans Affairs to issue loans for the construction of, rehabilitation of, or acquisition of land for multifamily transitional housing projects instead of guaranteeing loans for such purposes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2010

Mrs. HALVORSON (for herself and Mr. RUSH) introduced the following bill;
which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve the multifamily transitional housing loan program of the Department of Veterans Affairs by requiring the Secretary of Veterans Affairs to issue loans for the construction of, rehabilitation of, or acquisition of land for multifamily transitional housing projects instead of guaranteeing loans for such purposes, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Homeless Veterans
3 Transitional Housing Act of 2010”.

4 **SEC. 2. CONVERSION OF MULTIFAMILY TRANSITIONAL**
5 **HOUSING LOAN PROGRAM TO LOAN**
6 **ISSUANCE PROGRAM.**

7 (a) **AUTHORITY TO ISSUE LOANS.**—

8 (1) **IN GENERAL.**—Section 2051 of title 38,
9 United States Code, is amended—

10 (A) in subsection (a)—

11 (i) by striking “The” and inserting
12 “(1) The”; and

13 (ii) by adding at the end the following
14 new paragraph:

15 “(2) The Secretary shall, utilizing funds available in
16 the Multifamily Transitional Housing Loan Program Re-
17 volving Fund under section 2055 of this title, issue not
18 less than five loans that meet the requirements of this sub-
19 chapter.”;

20 (B) in subsection (b)—

21 (i) in paragraph (1), by striking
22 “under subsection (a)” and inserting
23 “under subsection (a)(1)”;

24 (ii) in paragraph (2), by striking
25 “under subsection (a)” and inserting
26 “under subsection (a)(1)”;

1 (iii) in paragraph (3), by inserting “or
2 issued” after “guaranteed”;

3 (C) in subsection (c), by inserting “or
4 issued” after “guaranteed”; and

5 (D) in subsection (g), by inserting “or
6 issued” after “guaranteed”.

7 (2) AUTHORITY TO DELEGATE APPROVAL AU-
8 THORITY.—Subsection (c) of such section, as
9 amended by paragraph (1)(C) of this subsection, is
10 further amended—

11 (A) by striking “A loan” and inserting
12 “(1) A loan”; and

13 (B) by adding at the end the following new
14 paragraph:

15 “(2) The Secretary may delegate approval under
16 paragraph (1) to a State or local government entity.”.

17 (3) SUNSET OF AUTHORITY TO ISSUE LOAN
18 GUARANTEES.—Such section is further amended by
19 adding at the end the following new subsection:

20 “(h) The Secretary may not guarantee under sub-
21 section (a)(1) any loan that is closed after the date of the
22 enactment of this subsection. The termination by this sub-
23 section of the authority to guarantee loans under this sub-
24 section shall not affect the validity of any loan guaranteed

1 under this subchapter before the date of the enactment
2 of this subsection and is in force on that date.”.

3 (4) CONFORMING AMENDMENTS.—Such title is
4 further amended as follows:

5 (A) In section 2052(d), by inserting “or
6 issue” after “whether to guarantee”.

7 (B) In section 2053(a), by inserting “or
8 issued” after “is guaranteed”.

9 (C) In section 2054(a)—

10 (i) in the first sentence, by inserting
11 “or issued” after “guaranteed”; and

12 (ii) in the last sentence, by inserting
13 “or loan” after “guarantee”.

14 (5) CLERICAL AMENDMENTS.—Such title is fur-
15 ther amended as follows:

16 (A) In the heading of subchapter VI of
17 chapter 20, by striking “LOAN GUARANTEE
18 FOR”.

19 (B) In the table of sections at the begin-
20 ning of such chapter, by striking the item relat-
21 ing to subchapter VI and inserting the following
22 new item:

“SUBCHAPTER VI—MULTIFAMILY TRANSITIONAL HOUSING”.

23 (b) MULTIFAMILY TRANSITIONAL HOUSING LOAN
24 PROGRAM REVOLVING FUND.—

1 (1) IN GENERAL.—Subchapter VI of chapter 20
2 of such title is amended by adding at the end the
3 following new section:

4 **“§ 2055. Multifamily Transitional Housing Loan Pro-**
5 **gram Revolving Fund**

6 “(a) ESTABLISHMENT.—There is established in the
7 Treasury of the United States a revolving fund known as
8 the ‘Department of Veterans Affairs Multifamily Transi-
9 tional Housing Loan Program Revolving Fund’ (in this
10 section referred to as the ‘Fund’).

11 “(b) ELEMENTS.—There shall be deposited in the
12 Fund the following, which shall constitute the assets of
13 the Fund:

14 “(1) Amounts paid into the Fund under any
15 provision of law or regulation established by the Sec-
16 retary imposing fees on persons or entities issued a
17 loan under this subchapter.

18 “(2) All other amounts received by the Sec-
19 retary incident to operations relating to the issuance
20 of loans under this subchapter, including—

21 “(A) collections of principal and interest
22 on loans issued by the Secretary under this sub-
23 chapter;

1 “(B) proceeds from the sale, rental, use, or
 2 other disposition of property acquired under
 3 this subchapter; and

4 “(C) penalties collected pursuant to this
 5 subchapter.

6 “(3) Amounts appropriated or otherwise made
 7 available before the date of the enactment of this
 8 section for purposes of activities under this sub-
 9 chapter, including amounts appropriated for such
 10 purposes under title I of the Department of Vet-
 11 erans Affairs and Housing and Urban Development,
 12 and Independent Agencies Appropriations Act, 2000
 13 (Public Law 106–74; 113 Stat. 1049).

14 “(c) USE OF FUNDS.—The Fund shall be available
 15 to the Secretary, without fiscal year limitation, for all op-
 16 erations relating to the issuance of loans under this sub-
 17 chapter, consistent with the Federal Credit Reform Act
 18 of 1990 (2 U.S.C. 661 et seq.).”.

19 (2) CLERICAL AMENDMENT.—The table of sec-
 20 tions at the beginning of chapter 20 of such title is
 21 amended by inserting after the item relating to sec-
 22 tion 2054 the following new item:

“2055. Multifamily Transitional Housing Loan Program Revolving Fund.”.

23 (c) CLARIFICATION OF AUTHORITY TO DETERMINE
 24 TERMS AND CONDITIONS OF LOANS.—Subsection (a)(6)
 25 of section 2052 of such title is amended by inserting “in-

cluding with respect to forbearance, deferral, and loan forgiveness,” after “determines are reasonable,”.

(d) CLARIFICATION OF TYPES OF SPACES THAT MAY BE INCLUDED IN COVERED MULTIFAMILY TRANSITIONAL HOUSING PROJECTS.—Subsection (c)(1) of such section 2052 is amended by striking “or job training programs” and inserting “job training programs, other types of residential units, or other uses that the Secretary considers necessary for the sustainability of the project”.

(e) LOAN DEFAULTS.—Section 2053 of such title is amended by adding at the end the following new subsection:

“(c) The Secretary may impose such penalties or require such collateral as the Secretary considers necessary—

“(1) to discourage default on a loan issued under this subchapter; or

“(2) to mitigate harm to the Department from default on a loan issued under this subchapter.

“(d) The Secretary shall administer any property coming under the jurisdiction of the Secretary by reason of default on a loan issued or guaranteed under this subchapter in accordance with regulations prescribed by the Secretary for that purpose. Such administration of prop-

erty may include selling, renting, or otherwise disposing of property as the Secretary considers appropriate.”.

(f) **PREFERENTIAL TREATMENT OF VETERANS.**—

(1) **IN GENERAL.**—Subchapter VI of chapter 20 of such title, as amended by subsection (b), is further amended by adding at the end the following new section:

“§ 2056. Preferential treatment of veterans

“No provision of Federal or State law may prohibit a multifamily transitional housing project described in section 2052(b) of this title from offering preferential treatment to veterans.”.

(2) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter, as amended by subsection (b), is further amended by adding at the end the following new item:

“2056. Preferential treatment of veterans.”.

(g) **TECHNICAL CORRECTIONS.**—Section 2052 of such title is amended—

(1) in subsection (b)(2), by striking “counseling” both places it appears and inserting “counseling”; and

(2) in subsection (d)(2), by striking “, as assessed under section 107 of Public Law 102–405”.

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