

113TH CONGRESS
1ST SESSION

H. R. 2481

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2013

Received; read twice and referred to the Committee on Veterans' Affairs

AN ACT

To make certain improvements in the laws administered by
the Secretary of Veterans Affairs relating to benefits,
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; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Veterans Economic Opportunity Act of 2013”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to title 38, United States Code.
- Sec. 3. Scoring of budgetary effects.
- Sec. 4. Establishment of Veterans Economic Opportunity Administration of Department of Veterans Affairs.
- Sec. 5. Under Secretary for Veterans Economic Opportunity.
- Sec. 6. Five-year extension of homeless veterans reintegration programs.
- Sec. 7. Entitlement of children of certain deceased veterans to educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs.
- Sec. 8. Recodification and improvement of election process for Post-9/11 Educational Assistance Program.
- Sec. 9. Centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions.
- Sec. 10. Extension of loan guaranty fee for certain subsequent loans.
- Sec. 11. Mortgage protection for members of the Armed Forces, surviving spouses, and certain veterans.
- Sec. 12. Treatment of relocation for active duty for purposes of mortgage refinancing.
- Sec. 13. Requirements for lending institutions that are creditors for obligations and liabilities covered by the Servicemembers Civil Relief Act.
- Sec. 14. Protection of child custody arrangements for parents who are members of the Armed Forces.

6 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

7 Except as otherwise expressly provided, whenever in
8 this Act an amendment or repeal is expressed in terms
9 of an amendment to , or repeal of, a section or other provi-
10 sion, the reference shall be considered to be made to a
11 section or other provision of title 38 , United States Code.

12 **SEC. 3. SCORING OF BUDGETARY EFFECTS.**

13 The budgetary effects of this Act, for the purpose of
14 complying with the Statutory Pay-As-You-Go Act of 2010,
15 shall be determined by reference to the latest statement

1 titled “Budgetary Effects of PAYGO Legislation” for this
 2 Act, submitted for printing in the Congressional Record
 3 by the Chairman of the House Budget Committee, pro-
 4 vided that such statement has been submitted prior to the
 5 vote on passage.

6 **SEC. 4. ESTABLISHMENT OF VETERANS ECONOMIC OPPOR-**
 7 **TUNITY ADMINISTRATION OF DEPARTMENT**
 8 **OF VETERANS AFFAIRS.**

9 (a) ECONOMIC OPPORTUNITY ADMINISTRATION.—

10 (1) IN GENERAL.—Part V is amended by add-
 11 ing at the end the following new chapter:

12 **“CHAPTER 80—VETERANS ECONOMIC**
 13 **OPPORTUNITY ADMINISTRATION**

“8001. Organization of Administration.

“8002. Functions of Administration.

14 **“§ 8001. Organization of Administration**

15 “(a) VETERANS ECONOMIC OPPORTUNITY ADMINIS-
 16 TRATION.—There is in the Department of Veterans Af-
 17 fairs a Veterans Economic Opportunity Administration.
 18 The primary function of the Veterans Economic Oppor-
 19 tunity Administration is the administration of the pro-
 20 grams of the Department which provide assistance related
 21 to economic opportunity to veterans and their dependents
 22 and survivors.

23 “(b) UNDER SECRETARY FOR ECONOMIC OPPOR-
 24 TUNITY.—The Veterans Economic Opportunity Adminis-

1 tration is under the Under Secretary for Veterans Eco-
 2 nomic Opportunity, who is directly responsible to the Sec-
 3 retary for the operations of the Administration.

4 **“§ 8002. Functions of Administration**

5 “The Veterans Economic Opportunity Administra-
 6 tion is responsible for the administration of the following
 7 programs of the Department:

8 “(1) Vocational rehabilitation and employment
 9 programs.

10 “(2) Educational assistance programs.

11 “(3) Veterans’ housing loan and related pro-
 12 grams.

13 “(4) The veterans small business program
 14 under section 8127 of this title.”.

15 (2) CLERICAL AMENDMENTS.—The tables of
 16 chapters at the beginning of title 38, United States
 17 Code, and of part V of title 38, United States Code,
 18 are each amended by inserting after the item relat-
 19 ing to chapter 79 the following new item:

“80. Veterans Economic Opportunity Administration 8001”.

20 (b) EFFECTIVE DATE.—Chapter 80 of title 38,
 21 United States Code, as added by subsection (a) shall take
 22 effect on October 1, 2014.

23 **SEC. 5. UNDER SECRETARY FOR VETERANS ECONOMIC OP-**
 24 **PORTUNITY.**

25 (a) UNDER SECRETARY.—

1 (1) IN GENERAL.—Chapter 3 is amended by in-
2 serting after section 306 the following new section:

3 **“§ 306A. Under Secretary for Veterans Economic Op-**
4 **portunity**

5 “(a) UNDER SECRETARY.—There is in the Depart-
6 ment an Under Secretary for Veterans Economic Oppor-
7 tunity, who is appointed by the President, by and with
8 the advice and consent of the Senate. The Under Sec-
9 retary for Veterans Economic Opportunity shall be ap-
10 pointed without regard to political affiliation or activity
11 and solely on the basis of demonstrated ability in—

12 “(1) information technology; and

13 “(2) the administration of programs within the
14 Veterans Economic Opportunity Administration or
15 programs of similar content and scope.

16 “(b) RESPONSIBILITIES.—The Under Secretary for
17 Veterans Economic Opportunity is the head of, and is di-
18 rectly responsible to the Secretary for the operations of,
19 the Veterans Economic Opportunity Administration.

20 “(c) VACANCIES.—(1) Whenever a vacancy in the po-
21 sition of Under Secretary for Veterans Economic Oppor-
22 tunity occurs or is anticipated, the Secretary shall estab-
23 lish a commission to recommend individuals to the Presi-
24 dent for appointment to the position.

1 “(2) A commission established under this subsection
2 shall be composed of the following members appointed by
3 the Secretary:

4 “(A) Three persons representing education and
5 training, vocational rehabilitation, employment, real
6 estate, mortgage finance and related industries, and
7 survivor benefits activities affected by the Veterans
8 Economic Opportunity Administration.

9 “(B) Two persons representing veterans served
10 by the Veterans Economic Opportunity Administra-
11 tion.

12 “(C) Two persons who have experience in the
13 management of private sector benefits programs of
14 similar content and scope to the economic oppor-
15 tunity programs of the Department.

16 “(D) The Deputy Secretary of Veterans Affairs.

17 “(E) The chairman of the Veterans’ Advisory
18 Committee on Education formed under section 3692
19 of this title.

20 “(F) One person who has held the position of
21 Under Secretary for Veterans Economic Oppor-
22 tunity, if the Secretary determines that it is desir-
23 able for such person to be a member of the commis-
24 sion.

1 “(3) A commission established under this subsection
2 shall recommend at least three individuals for appoint-
3 ment to the position of Under Secretary for Veterans Eco-
4 nomic Opportunity. The commission shall submit all rec-
5 ommendations to the Secretary. The Secretary shall for-
6 ward the recommendations to the President and the Com-
7 mittees on Veterans’ Affairs of the Senate and House of
8 Representatives with any comments the Secretary con-
9 siderers appropriate. Thereafter, the President may request
10 the commission to recommend additional individuals for
11 appointment.

12 “(4) The Assistant Secretary or Deputy Assistant
13 Secretary of Veterans Affairs who performs personnel
14 management and labor relations functions shall serve as
15 the executive secretary of a commission established under
16 this subsection.

17 “(d) QUALIFICATIONS OF RECOMMENDED INDIVID-
18 UALS.—Each individual recommended to the President by
19 the commission for appointment to the position of Under
20 Secretary for Veterans Economic Opportunity shall be an
21 individual who has held a senior level position in the pri-
22 vate sector with responsibilities relating to at least one of
23 the following:

24 “(1) Education policy.

25 “(2) Vocational rehabilitation.

1 “(3) Employment.

2 “(4) Home loan finance.

3 “(5) Small business development.”.

4 (2) CLERICAL AMENDMENT.—The table of sec-
5 tions at the beginning of such chapter is amended
6 by inserting after the item relating to section 306
7 the following new item:

“306A. Under Secretary for Veterans Economic Opportunity.”.

8 (b) CONFORMING AMENDMENTS.—Title 38, United
9 States Code, is further amended—

10 (1) in section 306(c)(2), by striking subpara-
11 graphs (A) and (E) and redesignating subpara-
12 graphs (B), (C), (D), and (F), as subparagraphs (A)
13 through (D), respectively;

14 (2) in section 317(d), by inserting after “Under
15 Secretary for Benefits,” the following: “the Under
16 Secretary for Veterans Economic Opportunity,”;

17 (3) in section 318(d)(2), by inserting after
18 “Under Secretary for Benefits,” the following: “the
19 Under Secretary for Veterans Economic Oppor-
20 tunity,”;

21 (4) in section 516(e)(2)(C), by striking “Health
22 and the Under Secretary for Benefits” and inserting
23 “Health, the Under Secretary for Benefits, and the
24 Under Secretary for Veterans Economic Oppor-
25 tunity”;

1 (5) in section 541(a)(2)(B), by striking “Health
2 and the Under Secretary for Benefits” and inserting
3 “Health, the Under Secretary for Benefits, and the
4 Under Secretary for Veterans Economic Oppor-
5 tunity”;

6 (6) in section 542(a)(2)(B)(iii), by striking
7 “Health and the Under Secretary for Benefits” and
8 inserting “Health, the Under Secretary for Benefits,
9 and the Under Secretary for Veterans Economic Op-
10 portunity”;

11 (7) in section 544(a)(2)(B)(vi), by striking
12 “Health and the Under Secretary for Benefits” and
13 inserting “Health, the Under Secretary for Benefits,
14 and the Under Secretary for Veterans Economic Op-
15 portunity”;

16 (8) in section 709(c)(2)(A), by inserting after
17 “Under Secretary for Benefits,” the following: “the
18 Under Secretary for Veterans Economic Oppor-
19 tunity,”.

20 (9) in section 7701(a), by inserting after “as-
21 sistance” the following: “, other than assistance re-
22 lated to economic opportunity,”; and

23 (10) in section 7703, by striking paragraphs (2)
24 and (3) and redesignating paragraphs (4) and (5) as
25 paragraphs (2) and (3), respectively.

1 (c) FULL-TIME EMPLOYEES.—For fiscal years 2014
 2 and 2015, the aggregate number of full-time equivalent
 3 employees authorized for the Veterans Benefit Adminis-
 4 tration and the Veterans Economic Opportunity Adminis-
 5 tration, as established under chapter 80 of title 38, United
 6 States Code, as added by section 2, may not exceed
 7 20,851.

8 (d) EFFECTIVE DATE.—Section 306A of title 38,
 9 United States Code, as added by subsection (a), and the
 10 amendments made by this section, shall take effect on Oc-
 11 tober 1, 2014.

12 **SEC. 6. FIVE-YEAR EXTENSION OF HOMELESS VETERANS**
 13 **REINTEGRATION PROGRAMS.**

14 Section 2021(e)(F) of title 38, United States Code,
 15 is amended by striking “2013” and inserting “2018”.

16 **SEC. 7. ENTITLEMENT OF CHILDREN OF CERTAIN DE-**
 17 **CEASED VETERANS TO EDUCATIONAL AS-**
 18 **SISTANCE UNDER THE POST-9/11 EDU-**
 19 **CATIONAL ASSISTANCE PROGRAM OF THE**
 20 **DEPARTMENT OF VETERANS AFFAIRS.**

21 (a) IN GENERAL.—Section 3311(b)(9) is amended—
 22 (1) by striking “2001, dies in line of duty while
 23 serving on active duty as a member of the Armed
 24 Forces.” and inserting “2001—”; and

1 (2) by adding at the end the following new sub-
2 paragraphs:

3 “(A) dies in line of duty while serving on
4 active duty as a member of the Armed Forces;
5 or

6 “(B) is awarded the Purple Heart for an
7 injury and dies as a result of that injury during
8 the 31-day period beginning on the date of the
9 person’s discharge or release from active duty
10 service in the Armed Forces.”.

11 (b) APPLICABILITY.—The amendments made by sub-
12 section (a) shall apply with respect to a person who dies
13 on or after September 11, 2001.

14 (c) EFFECTIVE DATE.—The amendments made by
15 subsection (a) shall take effect on October 1, 2014, and
16 apply to payments of educational assistance for programs
17 of education pursued after that date.

18 **SEC. 8. RECODIFICATION AND IMPROVEMENT OF ELEC-**
19 **TION PROCESS FOR POST-9/11 EDUCATIONAL**
20 **ASSISTANCE PROGRAM.**

21 (a) IN GENERAL.—Subchapter III of chapter 33 is
22 amended by adding at the end the following new section:

23 **“§ 3326. Election to receive educational assistance**

24 **“(a) INDIVIDUALS ELIGIBLE TO ELECT PARTICIPA-**
25 **TION IN POST-9/11 EDUCATIONAL ASSISTANCE.—An indi-**

1 individual may elect to receive educational assistance under
2 this chapter if such individual—

3 “(1) as of August 1, 2009—

4 “(A) is entitled to basic educational assist-
5 ance under chapter 30 of the title and has used,
6 but retains unused, entitlement under that
7 chapter;

8 “(B) is entitled to educational assistance
9 under chapter 107, 1606, or 1607 of title 10
10 and has used, but retains unused, entitlement
11 under the applicable chapter;

12 “(C) is entitled to basic educational assist-
13 ance under chapter 30 of this title but has not
14 used any entitlement under that chapter;

15 “(D) is entitled to educational assistance
16 under chapter 107, 1606, or 1607 of title 10
17 but has not used any entitlement under such
18 chapter;

19 “(E) is a member of the Armed Forces
20 who is eligible for receipt of basic educational
21 assistance under chapter 30 this title and is
22 making contributions toward such assistance
23 under section 3011(b) or 3012(c) of this title;
24 or

1 “(F) is a member of the Armed Forces
2 who is not entitled to basic educational assist-
3 ance under chapter 30 of this title by reason of
4 an election under section 3011(c)(1) or
5 3012(d)(1) of this title; and

6 “(2) as of the date of the individual’s election
7 under this paragraph, meets the requirements for
8 entitlement to educational assistance under this
9 chapter.

10 “(b) CESSATION OF CONTRIBUTIONS TOWARD GI
11 BILL.—Effective as of the first month beginning on or
12 after the date of an election under subsection (a) of an
13 individual described by paragraph (1)(E) of that sub-
14 section, the obligation of the individual to make contribu-
15 tions under section 3011(b) or 3012(c) of this title, as
16 applicable, shall cease, and the requirements of such sec-
17 tion shall be deemed to be no longer applicable to the indi-
18 vidual.

19 “(c) REVOCATION OF REMAINING TRANSFERRED
20 ENTITLEMENT.—

21 “(1) ELECTION TO REVOKE.—If, on the date an
22 individual described in paragraph (1)(A) or (1)(C) of
23 subsection (a) makes an election under that sub-
24 section, a transfer of the entitlement of the indi-
25 vidual to basic educational assistance under section

1 3020 of this title is in effect and a number of
2 months of the entitlement so transferred remain un-
3 utilized, the individual may elect to revoke all or a
4 portion of the entitlement so transferred that re-
5 mains unutilized.

6 “(2) AVAILABILITY OF REVOKED ENTITLE-
7 MENT.—Any entitlement revoked by an individual
8 under this paragraph shall no longer be available to
9 the dependent to whom transferred, but shall be
10 available to the individual instead for educational as-
11 sistance under chapter 33 of this title in accordance
12 with the provisions of this section.

13 “(3) AVAILABILITY OF UNREVOKED ENTITLE-
14 MENT.—Any entitlement described in paragraph (1)
15 that is not revoked by an individual in accordance
16 with that paragraph shall remain available to the de-
17 pendent or dependents concerned in accordance with
18 the current transfer of such entitlement under sec-
19 tion 3020 of this title.

20 “(d) POST-9/11 EDUCATIONAL ASSISTANCE.—

21 “(1) IN GENERAL.—Subject to paragraph (2)
22 and except as provided in subsection (e), an indi-
23 vidual making an election under subsection (a) shall
24 be entitled to educational assistance under this chap-
25 ter in accordance with the provisions of this chapter,

1 instead of basic educational assistance under chapter
2 30 this title, or educational assistance under chapter
3 107, 1606, or 1607 of title 10, as applicable.

4 “(2) LIMITATION ON ENTITLEMENT FOR CER-
5 TAIN INDIVIDUALS.—In the case of an individual
6 making an election under subsection (a) who is de-
7 scribed by paragraph (1)(A) of that subsection, the
8 number of months of entitlement of the individual to
9 educational assistance under this chapter 33 shall be
10 the number of months equal to—

11 “(A) the number of months of unused enti-
12 tlement of the individual under chapter 30 of
13 this title, as of the date of the election, plus

14 “(B) the number of months, if any, of enti-
15 tlement revoked by the individual under sub-
16 section (c)(1).

17 “(e) CONTINUING ENTITLEMENT TO EDUCATIONAL
18 ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE
19 PROGRAM.—

20 “(1) IN GENERAL.—In the event educational
21 assistance to which an individual making an election
22 under subsection (a) would be entitled under chapter
23 30 of this title, or chapter 107, 1606, or 1607 of
24 title 10, as applicable, is not authorized to be avail-
25 able to the individual under the provisions of this

1 chapter the individual shall remain entitled to such
2 educational assistance in accordance with the provi-
3 sions of the applicable chapter.

4 “(2) CHARGE FOR USE OF ENTITLEMENT.—

5 The utilization by an individual of entitlement under
6 paragraph (1) shall be chargeable against the enti-
7 tlement of the individual to educational assistance
8 under this chapter at the rate of one month of enti-
9 tlement under this chapter for each month of entitle-
10 ment utilized by the individual under paragraph (1)
11 (as determined as if such entitlement were utilized
12 under the provisions of chapter 30 of this title, or
13 chapter 107, 1606, or 1607 of title 10, as applica-
14 ble).

15 “(f) ADDITIONAL POST-9/11 ASSISTANCE FOR MEM-
16 BERS HAVING MADE CONTRIBUTIONS TOWARD GI
17 BILL.—

18 “(1) ADDITIONAL ASSISTANCE.—In the case of
19 an individual making an election under subsection
20 (a) who is described by subparagraph (A), (C), or
21 (E) of paragraph (1) of that subsection, the amount
22 of educational assistance payable to the individual
23 under this chapter 33 as a monthly stipend payable
24 under paragraph (1)(B) of section 3313(c) of this
25 title, or under paragraphs (2) through (7) of that

1 section (as applicable), shall be the amount other-
2 wise payable as a monthly stipend under the applica-
3 ble paragraph increased by the amount equal to—

4 “(A) the total amount of contributions to-
5 ward basic educational assistance made by the
6 individual under section 3011(b) or 3012(c) of
7 this title, as of the date of the election, multi-
8 plied by

9 “(B) the fraction—

10 “(i) the numerator of which is—

11 “(I) the number of months of en-
12 titlement to basic educational assist-
13 ance under chapter 30 of this title re-
14 maining to the individual at the time
15 of the election; plus

16 “(II) the number of months, if
17 any, of entitlement under such chap-
18 ter 30 revoked by the individual under
19 subsection (c)(1); and

20 “(ii) the denominator of which is 36
21 months.

22 “(2) MONTHS OF REMAINING ENTITLEMENT
23 FOR CERTAIN INDIVIDUALS.—In the case of an indi-
24 vidual covered by paragraph (1) who is described by
25 subsection (a)(1)(E), the number of months of enti-

1 tlement to basic educational assistance remaining to
2 the individual for purposes of paragraph
3 (1)(B)(i)(II) shall be 36 months.

4 “(3) TIMING OF PAYMENT.—The amount pay-
5 able with respect to an individual under paragraph
6 (1) shall be paid to the individual together with the
7 last payment of the monthly stipend payable to the
8 individual under paragraph (1)(B) of section
9 3313(c) of this title, or under subsections (b)
10 through (g) of that section (as applicable), before
11 the exhaustion of the individual’s entitlement to edu-
12 cational assistance under this chapter.

13 “(g) CONTINUING ENTITLEMENT TO ADDITIONAL
14 ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND
15 ADDITIONAL SERVICE.—An individual making an election
16 under subsection (a)(1) who, at the time of the election,
17 is entitled to increased educational assistance under sec-
18 tion 3015(d) of this title, or section 16131(i) of title 10,
19 or supplemental educational assistance under subchapter
20 III of chapter 30 of this title, shall remain entitled to such
21 increased educational assistance or supplemental edu-
22 cational assistance in the utilization of entitlement to edu-
23 cational assistance under this chapter, in an amount equal
24 to the quarter, semester, or term, as applicable, equivalent
25 of the monthly amount of such increased educational as-

1 sistance or supplemental educational assistance payable
2 with respect to the individual at the time of the election.

3 “(h) ALTERNATIVE ELECTION BY SECRETARY.—

4 “(1) IN GENERAL.—In the case of an individual
5 who, on or after October 1, 2014, submits to the
6 Secretary an election under this section that the
7 Secretary determines is clearly against the interests
8 of the individual, the Secretary may make an alter-
9 native election on behalf of the individual that the
10 Secretary determines is in the best interests of the
11 individual.

12 “(2) NOTICE.—If the Secretary makes an elec-
13 tion on behalf of an individual under this subsection,
14 the Secretary shall notify the individual by not later
15 than seven days after making such election and shall
16 provide the individual with a 30-day period, begin-
17 ning on the date of the individual’s receipt of such
18 notice, during which the individual may modify or
19 revoke the election made by the Secretary on the in-
20 dividual’s behalf. The Secretary shall include, as
21 part of such notice, a clear statement of why the al-
22 ternative election made by the Secretary is in the
23 best interests of the individual as compared to the
24 election submitted by the individual. The Secretary

1 shall provide the notice required under this para-
 2 graph by electronic means whenever possible.

3 “(i) IRREVOCABILITY OF ELECTIONS.—An election
 4 under subsection (a) or (c)(1) is irrevocable.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 at the beginning of such chapter is amended by adding
 7 at the end the following new item:

“3326. Election to receive educational assistance.”.

8 (c) CONFORMING REPEAL.—Subsection (c) of section
 9 5003 of the Post-9/11 Veterans Educational Assistance
 10 Act of 2008 (Public Law 110–252; 38 U.S.C. 3301 note)
 11 is hereby repealed.

12 **SEC. 9. CENTRALIZED REPORTING OF VETERAN ENROLL-**
 13 **MENT BY CERTAIN GROUPS, DISTRICTS, AND**
 14 **CONSORTIUMS OF EDUCATIONAL INSTITU-**
 15 **TIONS.**

16 (a) IN GENERAL.—Section 3684(a) is amended—

17 (1) in paragraph (1), by inserting “32, 33,”
 18 after “31,”; and

19 (2) by adding at the end the following new
 20 paragraph:

21 “(4) For purposes of this subsection, the term ‘edu-
 22 cational institution’ may include a group, district, or con-
 23 sortium of separately accredited educational institutions
 24 located in the same State that are organized in a manner

1 that facilitates the centralized reporting of the enrollments
2 in such group, district, or consortium of institutions.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall apply with respect to reports sub-
5 mitted on or after the date of the enactment of this Act.

6 **SEC. 10. EXTENSION OF LOAN GUARANTY FEE FOR CER-**
7 **TAIN SUBSEQUENT LOANS.**

8 (a) EXTENSION.—Section 3729(b)(2)(B) is amend-
9 ed—

10 (1) in clause (i), by striking “October 1, 2017”
11 and inserting “October 1, 2018”; and

12 (2) in clause (ii), by striking “October 1, 2017”
13 and inserting “October 1, 2018”.

14 **SEC. 11. MORTGAGE PROTECTION FOR MEMBERS OF THE**
15 **ARMED FORCES, SURVIVING SPOUSES, AND**
16 **CERTAIN VETERANS.**

17 (a) MEMBERS OF THE ARMED FORCES, SURVIVING
18 SPOUSES, AND CERTAIN DISABLED VETERANS.—

19 (1) IN GENERAL.—Title III of the
20 Servicemembers Civil Relief Act (50 U.S.C. App.
21 501 et seq.) is amended by inserting after section
22 303 the following new section:

1 **“SEC. 303A. MORTGAGES AND TRUST DEEDS OF CERTAIN**
2 **SERVICEMEMBERS, SURVIVING SPOUSES,**
3 **AND DISABLED VETERANS.**

4 “(a) MORTGAGE AS SECURITY.—This section applies
5 only to an obligation on real or personal property owned
6 by a covered individual that—

7 “(1) originated at any time and for which the
8 covered individual is still obligated; and

9 “(2) is secured by a mortgage, trust deed, or
10 other security in the nature of a mortgage.

11 “(b) STAY OF PROCEEDINGS.—

12 “(1) IN GENERAL.—In accordance with sub-
13 section (d)(1), in a judicial action pending or in a
14 nonjudicial action commenced during a covered time
15 period to enforce an obligation described in sub-
16 section (a), a court—

17 “(A) may, after a hearing and on its own
18 motion, stay the proceedings until the end of
19 the covered time period; and

20 “(B) shall, upon application by a covered
21 individual, stay the proceedings until the end of
22 the covered time period.

23 “(2) OBLIGATION TO STOP PROCEEDINGS.—

24 Upon receipt of notice provided under subsection
25 (d)(1), a mortgagee, trustee, or other creditor seek-
26 ing to foreclose on real property secured by an obli-

1 gation covered by this section using any judicial or
2 nonjudicial proceedings shall immediately stop any
3 such proceeding until the end of the covered time pe-
4 riod.

5 “(c) SALE OR FORECLOSURE.—A sale, judicial or
6 nonjudicial foreclosure, or seizure of property for a breach
7 of an obligation described in subsection (a) that is not
8 stayed under subsection (b) shall not be valid during a
9 covered time period except—

10 “(1) upon a court order granted before such
11 sale, judicial or nonjudicial foreclosure, or seizure
12 with a return made and approved by the court; or

13 “(2) if made pursuant to an agreement as pro-
14 vided in section 107.

15 “(d) NOTICE REQUIRED.—

16 “(1) IN GENERAL.—To be covered under this
17 section, a covered individual shall provide to the
18 mortgagee, trustee, or other creditor written notice
19 that such individual is so covered.

20 “(2) MANNER.—Written notice under para-
21 graph (1) may be provided electronically.

22 “(3) TIME.—Notice provided under paragraph
23 (1) shall be provided during the covered time period.

1 “(4) CONTENTS.—With respect to a service-
2 member described in subsection (g)(1)(A), notice
3 shall include—

4 “(A) a copy of the servicemember’s official
5 military orders, or any notification, certifi-
6 cation, or verification from a servicemember’s
7 commanding officer that provides evidence of
8 servicemember’s eligibility for special pay as de-
9 scribed in subsection (g)(1)(A); or

10 “(B) an official notice using a form de-
11 signed under paragraph (5).

12 “(5) OFFICIAL FORMS.—

13 “(A) IN GENERAL.—The Secretary of De-
14 fense shall design and distribute an official De-
15 partment of Defense form that can be used by
16 an individual to give notice under paragraph
17 (1).

18 “(B) USE OF OFFICIAL FORM NOT RE-
19 QUIRED.—Failure by any individual to use a
20 form designed or distributed under subpara-
21 graph (A) to provide notice shall not make such
22 provision of notice invalid.

23 “(e) AGGREGATE DURATION.—The aggregate dura-
24 tion for which a covered individual (except a servicemem-

1 ber described in subsection (g)(1)(A)) may be covered
2 under this section is one year.

3 “(f) MISDEMEANOR.—A person who knowingly
4 makes or causes to be made a sale, foreclosure, or seizure
5 of property that is prohibited by subsection (c), or who
6 knowingly attempts to do so, shall be fined as provided
7 in title 18, United States Code, or imprisoned for not more
8 than one year, or both.

9 “(g) DEFINITIONS.—In this section:

10 “(1) COVERED INDIVIDUAL.—The term ‘cov-
11 ered individual’ means the following individuals:

12 “(A) A servicemember who is or was eligi-
13 ble for hostile fire or imminent danger special
14 pay under section 310 of title 37, United States
15 Code, during a period of military service.

16 “(B) A servicemember placed on convales-
17 cent status, including a servicemember trans-
18 ferred to the temporary disability retired list
19 under section 1202 or 1205 of title 10, United
20 States Code.

21 “(C) A veteran who was medically dis-
22 charged and retired under chapter 61 of title
23 10, United States Code, except for a veteran
24 described in section 1207 of such title.

1 “(D) A surviving spouse (as defined in sec-
2 tion 101(3) of title 38, United States Code, and
3 in accordance with section 103 of such title) of
4 a servicemember who died while in military
5 service if such spouse is the successor in inter-
6 est to property covered under subsection (a).

7 “(2) COVERED TIME PERIOD.—The term ‘cov-
8 ered time period’ means the following time periods:

9 “(A) With respect to a servicemember who
10 is or was eligible for hostile fire or imminent
11 danger special pay under section 310 of title
12 37, United States Code, during a period of mili-
13 tary service, during the period beginning on the
14 first day on which the servicemember is or was
15 eligible for such special pay during such period
16 of military service and ending on the date that
17 is one year after the last day of such period of
18 military service.

19 “(B) With respect to a servicemember de-
20 scribed in paragraph (1)(B), during the one-
21 year period beginning on the date on which the
22 servicemember is placed on convalescent status
23 or transferred to the temporary disability re-
24 tired list under section 1202 or 1205 of title
25 10, United States Code.

1 “(C) With respect to a veteran described in
2 paragraph (1)(C), during the one-year period
3 beginning on the date of the retirement of such
4 veteran.

5 “(D) With respect to a surviving spouse of
6 a servicemember as described in paragraph
7 (1)(D), during the one-year period beginning on
8 the date on which the spouse receives notice of
9 the death of the servicemember.”.

10 (2) CLERICAL AMENDMENT.—The table of con-
11 tents in section 1(b) of such Act is amended by in-
12 serting after the item relating to section 303 the fol-
13 lowing new item:

 “Sec. 303A. Mortgages and trust deeds of certain servicemembers, surviving
 spouses, and disabled veterans.”.

14 (3) CONFORMING AMENDMENT.—Section 107
15 of the Servicemembers Civil Relief Act (50 U.S.C.
16 App. 517) is amended by adding at the end the fol-
17 lowing:

18 “(e) OTHER INDIVIDUALS.—For purposes of this sec-
19 tion, the term ‘servicemember’ includes any covered indi-
20 vidual under section 303A.”.

21 (b) INCREASED CIVIL PENALTIES FOR MORTGAGE
22 VIOLATIONS.—Paragraph (3) of section 801(b) of the
23 Servicemembers Civil Relief Act (50 U.S.C. App.
24 597(b)(3)) is amended to read as follows:

1 “(3) to vindicate the public interest, assess a
2 civil penalty—

3 “(A) with respect to a violation of section
4 207, 303, or 303A regarding real property—

5 “(i) in an amount not exceeding
6 \$110,000 for a first violation; and

7 “(ii) in an amount not exceeding
8 \$220,000 for any subsequent violation; and

9 “(B) with respect to any other violation of
10 this Act—

11 “(i) in an amount not exceeding
12 \$55,000 for a first violation; and

13 “(ii) in an amount not exceeding
14 \$110,000 for any subsequent violation.”.

15 (c) CREDIT DISCRIMINATION.—Section 108 of such
16 Act (50 U.S.C. App. 518) is amended—

17 (1) by striking “Application by” and inserting

18 “(a) APPLICATION OR RECEIPT.—Application by”;

19 and

20 (2) by adding at the end the following new sub-
21 section:

22 “(b) ELIGIBILITY.—In addition to the protections
23 under subsection (a), an individual who is entitled to any
24 right or protection provided under this Act may not be
25 denied or refused credit or be subject to any other action

1 described under paragraphs (1) through (6) of subsection
 2 (a) solely by reason of such entitlement.”.

3 (d) EFFECTIVE DATE.—Section 303A of the
 4 Servicemembers Civil Relief Act, as added by subsection
 5 (a), and the amendments made by this section, shall take
 6 effect on October 1, 2014.

7 **SEC. 12. TREATMENT OF RELOCATION FOR ACTIVE DUTY**
 8 **FOR PURPOSES OF MORTGAGE REFI-**
 9 **NANCING.**

10 (a) IN GENERAL.—Title III of the Servicemembers
 11 Civil Relief Act (50 U.S.C. App. 531 et seq.) is amended
 12 by inserting after section 303A, as added by section
 13 11(a)(1), the following new section:

14 **“SEC. 303B. TREATMENT OF RELOCATION FOR ACTIVE**
 15 **DUTY FOR PURPOSES OF MORTGAGE REFI-**
 16 **NANCING.**

17 **“(a) TREATMENT OF ABSENCE FROM RESIDENCE**
 18 **DUE TO ACTIVE DUTY.—**

19 **“(1) IN GENERAL.—**Subject to paragraph (2),
 20 if, at any time that a servicemember who is the
 21 mortgagor under an existing mortgage does not re-
 22 side in the residence that secures the existing mort-
 23 gage because of relocation described in subsection
 24 (c)(1)(B), such servicemember inquires about or ap-
 25 plies for a covered refinancing mortgage, such serv-

1 icemember shall be, for all purposes relating to the
2 covered refinancing mortgage, including such inquiry
3 or application and eligibility for and compliance with
4 any underwriting criteria and standards regarding
5 such covered refinancing mortgage, considered to oc-
6 cupy the residence that secures the existing mort-
7 gage to be paid or prepaid by such covered refi-
8 nancing mortgage as the principal residence of the
9 servicemember during the period of any such reloca-
10 tion.

11 “(2) LIMITATION.—Paragraph (1) shall not
12 apply with respect to a servicemember at any time
13 if, during the five-year period preceding such time,
14 the servicemember entered into a covered refi-
15 nancing mortgage pursuant to this section.

16 “(b) MORTGAGES ORIGINATED BEFORE PERIOD
17 MILITARY SERVICE.—If a covered refinancing mortgage
18 is entered into pursuant to this section with respect to
19 an existing mortgage that originated before the period of
20 the servicemember’s military service, such covered refi-
21 nancing mortgage shall be deemed to be an obligation that
22 originated before the period of the servicemember’s mili-
23 tary service and for which the servicemember is still obli-
24 gated for purposes of section 303(a)(1).

25 “(c) DEFINITIONS.—In this section:

1 “(1) EXISTING MORTGAGE.—The term ‘existing
2 mortgage’ means a mortgage that is secured by a 1-
3 to 4-family residence, including a condominium or a
4 share in a cooperative ownership housing associa-
5 tion, that was the principal residence of a service-
6 member for a period that—

7 “(A) had a duration of 13 consecutive
8 months or longer; and

9 “(B) ended upon the relocation of the serv-
10 icemember caused by the servicemember receiv-
11 ing military orders for a permanent change of
12 station or to deploy with a military unit, or as
13 an individual in support of a military operation,
14 for a period of not less than 90 days that did
15 not allow the servicemember to continue to oc-
16 cupy such residence as a principal residence.

17 “(2) COVERED REFINANCING MORTGAGE.—The
18 term ‘covered refinancing mortgage’ means any
19 mortgage—

20 “(A) that is made for the purpose of pay-
21 ing or prepaying, and extinguishing, the out-
22 standing obligations under an existing mortgage
23 or mortgages; and

“Sec. 303B. Treatment of relocation for active duty for purposes of mortgage refinancing.”.

11 SEC. 13. REQUIREMENTS FOR LENDING INSTITUTIONS
12 THAT ARE CREDITORS FOR OBLIGATIONS
13 AND LIABILITIES COVERED BY THE
14 SERVICEMEMBERS CIVIL RELIEF ACT.

(2) by inserting after subsection (c) the following new subsection (d):

22 “(1) COMPLIANCE OFFICERS.—Each lending in-
23 stitution subject to the requirements of this section
24 shall designate an employee of the institution as a

1 compliance officer who is responsible for ensuring
 2 the institution's compliance with this section and for
 3 distributing information to servicemembers whose
 4 obligations and liabilities are covered by this section.

5 “(2) TOLL-FREE TELEPHONE NUMBER.—Dur-
 6 ing any fiscal year, a lending institution subject to
 7 the requirements of this section that had annual as-
 8 sets for the preceding fiscal year of \$10,000,000,000
 9 or more shall maintain a toll-free telephone number
 10 and shall make such telephone number available on
 11 the primary Internet website of the institution.”.

12 **SEC. 14. PROTECTION OF CHILD CUSTODY ARRANGEMENTS**
 13 **FOR PARENTS WHO ARE MEMBERS OF THE**
 14 **ARMED FORCES.**

15 (a) CHILD CUSTODY PROTECTION.—Title II of the
 16 Servicemembers Civil Relief Act (50 U.S.C. App. 521 et
 17 seq.) is amended by adding at the end the following new
 18 section:

19 **“SEC. 208. CHILD CUSTODY PROTECTION.**

20 “(a) RESTRICTION ON TEMPORARY CUSTODY
 21 ORDER.—If a court renders a temporary order for custo-
 22 dial responsibility for a child based solely on a deployment
 23 or anticipated deployment of a parent who is a service-
 24 member, then the court shall require that, upon the return
 25 of the servicemember from deployment, the custody order

1 that was in effect immediately preceding the temporary
2 order shall be reinstated, unless the court finds that such
3 a reinstatement is not in the best interest of the child,
4 except that any such finding shall be subject to subsection
5 (b).

6 “(b) LIMITATION ON CONSIDERATION OF MEMBER’S
7 DEPLOYMENT IN DETERMINATION OF CHILD’S BEST IN-
8 TEREST.—If a motion or a petition is filed seeking a per-
9 manent order to modify the custody of the child of a serv-
10 icemember, no court may consider the absence of the serv-
11 icemember by reason of deployment, or the possibility of
12 deployment, as the sole factor in determining the best in-
13 terest of the child.

14 “(c) NO FEDERAL JURISDICTION OR RIGHT OF AC-
15 TION OR REMOVAL.—Nothing in this section shall create
16 a Federal right of action or otherwise give rise to Federal
17 jurisdiction or create a right of removal.

18 “(d) PREEMPTION.—In any case where State law ap-
19 plicable to a child custody proceeding involving a tem-
20 porary order as contemplated in this section provides a
21 higher standard of protection to the rights of the parent
22 who is a deploying servicemember than the rights provided
23 under this section with respect to such temporary order,
24 the appropriate court shall apply the higher State stand-
25 ard.

1 “(e) DEPLOYMENT DEFINED.—In this section, the
2 term ‘deployment’ means the movement or mobilization of
3 a servicemember to a location for a period of longer than
4 60 days and not longer than 540 days pursuant to tem-
5 porary or permanent official orders—

6 “(1) that are designated as unaccompanied;

7 “(2) for which dependent travel is not author-
8 ized; or

9 “(3) that otherwise do not permit the move-
10 ment of family members to that location.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 in section 1(b) of such Act is amended by adding at the
13 end of the items relating to title II the following new item:

“208. Child custody protection.”.

Passed the House of Representatives October 28,
2013.

Attest:

KAREN L. HAAS,
Clerk.