H.R. 3911, the Risk-Based Credit Examination Act, makes the criteria required in annual reporting by nationally recognized statistical rating organizations, or NRSROs, just that: risk based.

In 2008, the financial crisis taught us many lessons. It also highlighted how NRSROs regularly gave high ratings to mortgage-backed securities. As we now know, these mortgage-backed securities led to one of the largest financial collapses, which some economists have put on par with the Great Depression of the 1930s.

In 2010, with the passage of Dodd-Frank and in an attempt to prevent previous mistakes, these organizations were hit with new requirements aimed at enhancing their disclosures and transparency. Unfortunately, the one-size-fits-all annual reporting requirements mandated under section 932 of Dodd-Frank placed unnecessary burdens and compliance costs on small NRSROs that were in no way the cause of the financial crisis.

Contrary to what some might believe, more regulation doesn't solve everything; in fact, it doesn't solve most things.

After the Office of Credit Ratings was created in 2012 and the new requirements were put into place, smaller NRSROs found it difficult to enter the marketplace. Ironically, the large credit rating agencies—which, again, had a hand in the financial crisis—are getting bigger, driving out small credit rating agencies and making it clear that these new regulatory requirements missed their intended mark and placed unnecessary requirements on smaller NRSROs.

Mr. Speaker, a move to a risk-based model will alleviate the burden on small NRSROs and provide competition while continuing to maintain oversight and transparency over the industry. The marketplace needs this fix. As the chairman noted in a 2013 letter, SEC Chairman Mary Jo White concurred with these conclusions.

Let's be clear. This bill does not eliminate reporting requirements for credit rating agencies; instead, it simply makes the criteria required in annual reports risk based. Credit rating agencies will still be held accountable, while allowing real competition in the market.

Mr. Speaker, I urge my colleagues to support this legislation that is both bipartisan and commonsense, something we don't often see in Washington, D.C.

Mr. KILDEE. Mr. Speaker, in closing, I would just reiterate two things. One, I think here is an opportunity for us to demonstrate that there are times when we come together to deal with specific problems in a bipartisan fashion. We ought to encourage it, and I am pleased to be a part of it.

Again, I would like to reiterate the point that this legislation is not intended to weaken oversight; in fact, it is intended to focus oversight on those areas of greatest risk. It is my hope and my sincere belief that that is the approach that the SEC will take upon passage and enactment of this legislation. It is a step in the right direction, and I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I would like to echo the words of my colleague from Michigan: a bipartisan, unanimous bill coming out of the Financial Services Committee deserves the support of this House. We are very pleased that we have been able to strike this accommodation, this balance, between making sure that those rating agencies that truly did have a hand in causing our economic downturn are separated from those smaller institutions that really had nothing to do with that.

Now, with this overregulation that has occurred due to Dodd-Frank, I have really been put at a disadvantage and, ironically, have lowered competition in this space. So we believe that we are restoring some commonsense provisions back into the law. With that, I would like to encourage all of my colleagues to vote for H.R. 3911.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. HUIZENGA) that the House suspend the rules and pass the bill, H.R. 3911.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HUIZENGA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

CLARIFYING COMMERCIAL REAL ESTATE LOANS

Mr. HUIZENGA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2148) to amend the Federal Deposit Insurance Act to clarify capital requirements for certain acquisition, development, or construction loans, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as ''Clarifying Commercial Real Estate Loans''.

SEC. 2. CAPITAL REQUIREMENTS FOR CERTAIN ACQUISITION, DEVELOPMENT, OR CONSTRUCTION LOANS.

The Federal Deposit Insurance Act is amended by adding at the end the following new section:

''SEC. 51. CAPITAL REQUIREMENTS FOR CERTAIN ACQUISITION, DEVELOPMENT, OR CONSTRUCTION LOANS.

''(a) IN GENERAL.—The appropriate Federal banking agencies may only subject a depository institution to higher capital standards with respect to a high volatility commercial real estate (HVCRE) exposure (as such term is defined under section 324.2 of title 12, Code of Federal Regulations, as of October 11, 2017, or if a successor regulation is in effect as of the date of the enactment of this section, such term or any successor term contained in such successor regulation) if such exposure is an HVCRE ADC loan.

''(b) HVCRE ADC LOAN DEFINED.—For purposes of this section and with respect to a depository institution, the term 'HVCRE ADC loan'—

''(1) means a credit facility secured by land or improved real property that, prior to being reclassified by the depository institution as a Non-HVCRE ADC loan pursuant to subsection (d)—

''(A) primarily finances, has financed, or refinances the acquisition, development, or construction of real property;

''(B) has the purpose of providing financing to acquire, develop, or improve such real property into income-producing real property; and

''(C) is dependent upon future income or sales proceeds from, or refinancing of, such real property for the repayment of such credit facility;

''(2) does not include a credit facility financing—

''(A) the acquisition, development, or construction of properties that are—

''(i) one- to four-family residential properties;

''(ii) real property that would qualify as an investment in community development; or

''(iii) agricultural land;

''(B) the acquisition or refinance of existing income-producing real property secured by a mortgage on such property, if the cash flow being generated by the real property is sufficient to support the debt service and expenses of the real property, as determined by the depository institution, in accordance with the institution's applicable loan underwriting criteria for permanent financings;

''(C) improvements to existing income-producing improved real property secured by a mortgage on such property, if the cash flow being generated by the real property is sufficient to support the debt service and expenses of the real property, as determined by the depository institution, in accordance with the institution's applicable loan underwriting criteria for permanent financings; or

''(D) commercial real property projects in which—

''(i) the loan-to-value ratio is less than or equal to the applicable maximum supervisory loan-to-value ratio as determined by the appropriate Federal banking agency; and

''(ii) the borrower has contributed capital of at least 15 percent of the real property's appraised, 'as completed' value to the project in the form of—

''(I) cash;

''(II) unencumbered readily marketable assets;

''(III) paid development expenses out-of-pocket; or

''(IV) contributed real property or improvements; and

''(iii) the borrower contributed the minimum amount of capital described under clause (ii) before the depository institution advances funds under the credit facility, and such minimum amount of capital contributed by the borrower is contractually required to remain in the project until the credit facility has been reclassified by the depository institution as a Non-HVCRE ADC loan under subsection (d);

''(3) does not include any loan made prior to January 1, 2015; and

"(4) does not include a credit facility reclassified as a Non-HVCRE ADC loan under subsection (d).

"(c) VALUE OF CONTRIBUTED REAL PROPERTY.—For purposes of this section, the value of any real property contributed by a borrower as a capital contribution shall be the appraised value of the property as determined under standards prescribed pursuant to section 1110 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3339), in connection with the extension of the credit facility or loan to such borrower.

"(d) RECLASSIFICATION AS A NON-HVCRE ADC LOAN.—For purposes of this section and with respect to a credit facility and a depository institution, upon—

"(1) the completion of the development or construction of the real property being financed by the credit facility; and

"(2) cash flow being generated by the real property being sufficient to support the debt service and expenses of the real property,

in either case to the satisfaction of the depository institution, in accordance with the institution's applicable loan underwriting criteria for permanent financings, the credit facility may be reclassified by the depository institution as a Non-HVCRE ADC loan.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. HUIZENGA) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. HUIZENGA).

GENERAL LEAVE

Mr. HUIZENGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUIZENGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in response to the 2008 financial crisis, the Basel Committee on Banking Supervision, an organization that, frankly, most citizens might not have any idea exists, much less the effects and the influences on their banking lives, the Basel Committee on Banking Supervision agreed to modify internationally negotiated bank regulatory standards, known as the Basel Accords. This was going to increase bank capital requirements.

On July 9, 2013, the Federal banking regulators here in the United States—including the Federal Reserve; the Federal Deposit Insurance Corporation, FDIC; and the Office of the Comptroller of the Currency, OCC—all issued a final rule to implement most of the so-called Basel III recommendations, including modifications to capital requirements.

Basel III imposes new rules for high volatility commercial real estate, also known as HVCREs.

Unfortunately, we have a lot of acronyms in the Financial Services space, but you will be hearing a lot about these HVCREs over the course of the next few minutes.

These HVCRE rules are those which the regulations characterize as loans that finance the acquisition, development, or construction of real property. Loans that finance the acquisition, development, and construction of one- to four-family residential properties, projects that qualify as community development investment, and loans to businesses or farms with gross revenue exceeding $1 million are exempt from this HVCRE classification.

In June of 2017, the Treasury Department released its first report in response to the President's February 2017 "Core Principles for Regulating the United States Financial System," informing the administration's perspective to regulate the financial system. The report, entitled, "A Financial System That Creates Economic Opportunities—Banks and Credit Unions," calls on regulators to simplify and clarify the definition of these HVCRE loans to avoid the application of excessively stringent postcrisis capital requirements and concentration limits related to such loans, but does not identify specific language and changes.

Additionally, in September of this past year, the OCC, FDIC, and the Federal Reserve proposed a rule that attempted to simplify the regulatory capital calculations for these HVCREs. The proposal would change the current definition of HVCRE and replace it with a new definition related to high volatility acquisition, development, or construction loans. HVADC is what it has been dubbed.

The complexity of the HVCRE definition and its uncertain application are making it difficult for banks to comply.

While we appreciate the various banking agencies' attempt at simplifying the capital treatment of acquisition, development, and construction loans, their proposal actually broadens the number of loans subject to higher capital charge. This actually increases the amount capital banks will be required to carry for these ADC loans—hardly a simplification.

Increases in risk weighting on these loans have had a significant impact on institutions' capital ratios and, as a result, have increased costs to borrowers. If a loan is classified as an HVCRE loan, the lender will face a lower return on its capital as a result of the higher capital reserve requirement, meaning they are going to have to hold more capital. This will lead to increased pricing on the loan, including a higher interest rate for the borrower.

H.R. 2148, Clarifying Commercial Real Estate Loans, introduced by my colleagues Representatives PITTENGER and SCOTT, helps address the uncertainty related to the Basel capital rules and its impact on certain acquisition, development, or construction loans. The bill clarifies the types of loans that should and should not be classified as HVCREs and which types of equity can be used to meet capital requirements.

Currently, that uncertainty is creating confusion and affecting commercial real estate ADC loans by increasing borrowing costs and reducing credit availability, which may be contributing to a slowdown in commercial real estate lending.

I commend the bipartisan works of Representatives PITTENGER and SCOTT on this important bill. Having passed the Financial Services Committee by an overwhelmingly bipartisan vote of 59–1, there is no reason that we shouldn't have the same overwhelming bipartisan support for H.R. 2148 today.

Mr. Speaker, I encourage all of my colleagues to vote in favor of H.R. 2148, and I reserve the balance of my time.

□ 1430

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise today to support H.R. 2148, and I want to start by thanking the gentleman from Georgia (Mr. DAVID SCOTT) and the gentleman from North Carolina (Mr. PITTENGER) for their work on this bipartisan legislation, a bill that deals with capital rules for commercial real estate loans, including acquisition, development, or construction loans.

It is critical that Federal bank regulators maintain the strong capital rules that have been implemented after the enactment of Dodd-Frank. These rules have made the U.S. financial system much safer, while protecting consumers, investors, and taxpayers in promoting stable economic growth.

Unlike some proposals that have been introduced that would gut the regulatory framework of Dodd-Frank, I am pleased that this bill reasonably seeks to resolve a valid concern raised by community banks that certain capital rules relating to high volatility commercial real estate, or HVCRE, loans are far too complex. This is an issue that financial regulators like the FDIC have also acknowledged must be addressed and must be fixed.

The problem, in fact, was highlighted in their Economic Growth and Regulatory Paperwork Reduction Act report, which was published earlier this year.

In September, financial regulators released a proposal to revise the capital rules to make the calculations more straightforward. This is a good step in resolving this issue.

Although I am supportive of H.R. 2148, there are some concerns that I have heard and that I can appreciate, including that it could provide for more rigid definitions relating to capital rules.

The highly technical standards are important, though, to demonstrate congressional intent. But Congress may not need to act, if bank regulators correct the problem on their own.

In addition, according to the FDIC Inspector General, commercial real estate loans generally account for more than one-third of community bank lending. The GAO found that failure of many small banks in the last crisis were "driven by credit losses on CRE loans, particularly loans secured by real estate to finance land development and construction.'' We have to be cautious, and we should be sensitive to these risks.

Notwithstanding all of those legitimate concerns that we should keep in mind, I support this legislation and hope that it will send a clear signal to the regulators that they should consider and address any comments on their proposed rule without delay that is fully sensitive to the risks that I have discussed.

Importantly, in committee, Congresswoman MALONEY offered an amendment that I was pleased was adopted. This amendment better aligns this bill with the regulators' proposed rule to fix this issue.

Mr. Speaker, I urge my colleagues to support this legislation, H.R. 2148, and I reserve the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. PITTENGER), the vice chairman of the Terrorism and Illicit Finance Subcommittee of the Financial Services Committee and the sponsor of this legislation.

Mr. PITTENGER. Mr. Speaker, today, I rise in support of H.R. 2148, the Clarifying Commercial Real Estate Loans Act. I would also like to thank my colleague, Chairman HUIZENGA, for his leadership on our behalf.

This bipartisan legislation makes commonsense reforms to the high volatility commercial real estate loan process and clarifies the existing regulations to help simplify real estate financing in high volatility markets, including economically depressed urban communities.

The complexity of the current HVCRE definition, combined with the failure of Federal regulators to clarify and define HVCRE rules and how and where they are to be applied, has made certain that these development loans have become way too expensive. This has increased borrowing costs and reduced credit availability.

These failures directly impact local communities. We have seen fewer jobs, less economic growth, and increased costs for community projects, in addition to setbacks for local banks and developers.

My bipartisan legislation addresses many of these concerns by broadening the types of equity the developer may place towards the heightened risk requirements of an HVCRE loan. We also clarify which types of loans should and should not be classified as HVCRE. We must codify and improve the HVCRE rules to ensure market and industry stability.

Mr. Speaker, I thank Congressman DAVID SCOTT, Congresswoman CAROLYN MALONEY, and Ranking Member WATERS, who actively worked with me on this important legislation. Please join us in supporting this commonsense, bipartisan legislation.

Mr. KILDEE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), a distinguished member of the Financial Services Committee.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding and for his leadership on this and so many issues.

Mr. Speaker, I rise today to support H.R. 2148, which clarifies and simplifies the capital rules for commercial real estate loans.

This bill addresses an important issue, which is that the capital requirements for commercial real estate loans are overly complex for banks and unnecessarily punish certain types of commercial real estate loans and, thereby, the overall economy.

I have had many community bankers and real estate developers complain to me about this, and I think that they have a point. Even the regulators agree that these rules are overly complicated and need to be simplified, so there is broad consensus that this is a longtime, legitimate problem that needs to be fixed.

I thank Chairman HENSARLING and Ranking Member WATERS for all their hard work on this issue. I also want to thank Mr. PITTENGER and Mr. SCOTT for working with me during this markup on an amendment to strengthen the bill.

The current capital rules punish commercial real estate loans that are considered high volatility, by requiring banks to hold additional capital against them. They have to hold capital worth 150 percent for these high volatility loans, as opposed to the normal 100 percent for other commercial real estate loans.

These high volatility commercial real estate loans, or HVCRE loans, are usually made so that a borrower can purchase vacant or undeveloped land, which they then will build on or hold for a later time.

But the capital rules for these HVCRE loans were extremely complex and led to a great deal of confusion about which loans were considered high volatility and which were not.

The regulators finally did propose a rule to simplify the treatment of high volatility commercial real estate loans just a few weeks ago. This bill addresses the same issue as the regulators' proposed rule by simplifying the capital rules for commercial real estate loans.

I offered an amendment in committee that further aligned the bill with the best parts of the regulators' proposed rule, which I think ultimately strengthened and improved the bill. The bill would simplify the capital rules by removing the so-called contributed capital requirement, which requires very complicated calculations and forces banks to project the value of the property years into the future, which is extremely difficult, if not impossible, to do.

Even the regulators have concluded that this entire contributed capital requirement is unnecessarily burdensome and does not add protection at all. Removing it will streamline the capital rules for banks and make it easier to finance job-creating projects. The regulators have proposed to remove this entire requirement, and I agree.

Under current law, banks have to hold more capital when the property is vacant and not producing any income. So the bill clarifies that when a property does start to produce sufficient income to cover the debt service payments to the bank, then the loan is much safer, and thus is eligible for capital relief, removing the 150 percent surcharge and going back down to 100 percent.

I think this bill is a very good, commonsense bill that fixes a legitimate problem, and I urge my colleagues to support the bill. I believe it will make access to capital more fair and will get it out into the community, creating jobs.

I congratulate all of my colleagues who were part of this process, and I support the bill.

Mr. HUIZENGA. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. ROTHFUS), vice chairman of the Financial Institutions Subcommittee of Financial Services.

Mr. ROTHFUS. Mr. Speaker, I thank Mr. HUIZENGA for yielding.

Mr. Speaker, I want to start by thanking the gentleman from North Carolina (Mr. PITTENGER) for leading on this important legislation.

I rise today to express my support for the Clarifying Commercial Real Estate Loans act.

The Financial Institutions Subcommittee has spent a significant amount of time analyzing the state of bank lending. Not surprisingly, aside from loans from major banks to major corporations, we found that bank lending in today's regulatory environment is weak. We need to jump-start our economic growth once again, so we are going to need to find ways to address some of the unintended consequences of the rules coming out of Washington, D.C.

The high volatility commercial real estate loan designation is one such feature that has inhibited growth and opportunity. The complexity and ambiguity of HVCRE makes it hard for banks to comply. This drives up borrowing costs for real estate developers and prevents entrepreneurs from engaging in the types of activities that create jobs and opportunity.

This legislation will bring clarity and common sense to HVCRE requirements, and I ask that my colleagues support the Clarifying Commercial Real Estate Loans act, which is important legislation.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my friend, Mr. HUIZENGA, for his work on this. I also thank Mr. PITTENGER and Mr. SCOTT as well.

This is a piece of legislation, again, as the previous legislation did, that demonstrates that we do have the capability of solving a problem and coming together on specific issues when we can.

In this case, we have legislation that, I think, strikes that important balance in maintaining important regulations and standards in place that prevent the kind of catastrophes that we have seen in the past, but also, in this case, anticipates that there is a legitimate problem that needs to be solved, particularly in this case, in ensuring that development can occur in those places where it is often very difficult to see development take place. This is something that is absolutely critical and makes sense. This legislation strikes a good balance between those competing interests.

Mr. Speaker, I urge my colleagues to support this, and I yield back the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I encourage all of my colleagues to support H.R. 2148. I commend my good friend, Mr. PITTENGER, for his great work on this. Again, I point out that this bill came out of the Financial Services Committee on a bipartisan vote of 59–1. We think that this is a commonsense, reasonable accommodation for a problem that has been created by Dodd-Frank, and we are glad that, on a bipartisan basis, we can be addressing that.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from Michigan (Mr. HUIZENGA) that the House suspend the rules and pass the bill, H.R. 2148, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

☐ 1445

VETERAN URGENT ACCESS TO MENTAL HEALTHCARE ACT

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 918) to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to furnish mental health care to certain former members of the Armed Forces who are not otherwise eligible to receive such care, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Veteran Urgent Access to Mental Healthcare Act''.

SEC. 2. EXPANSION OF MENTAL HEALTH CARE FOR CERTAIN FORMER MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Chapter 17 of title 38, United States Code, is amended by inserting after section 1720H the following new section:

''§ 1720I. Expansion of mental health care for certain former members of the Armed Forces

''(a) IN GENERAL.—The Secretary shall furnish to former members of the Armed Forces described in subsection (b)—

''(1) an initial mental health assessment; and

''(2) the mental health care services authorized under this chapter that the Secretary determines are required to treat the mental health care needs of the former member, including risk of suicide or harming others.

''(b) FORMER MEMBERS OF THE ARMED FORCES DESCRIBED.—A former member of the Armed Forces described in this subsection is an individual who meets the following criteria:

''(1) The individual is a former member of the Armed Forces, including the reserve components, who—

''(A) served in the active military, naval, or air service, and was discharged or released therefrom under a condition that is not honorable except—

''(i) dishonorable; or

''(ii) bad conduct discharge;

''(B) has applied for a character of service determination and such determination has not been made; and

''(C) is not otherwise eligible to enroll in the health care system established by section 1705 of this title by reason of such discharge or release not meeting the requirements of section 101(2) of this title.

''(2) While serving in the Armed Forces—

''(A) the former member was deployed in a theater of combat operations or an area at a time during which hostilities occurred in that area;

''(B) participated in or experienced such combat operations or hostilities, including by controlling an unmanned aerial vehicle from a location other than such theater or area; or

''(C) was the victim of a physical assault of a sexual nature, battery of a sexual nature, or sexual harassment (as defined in section 1720D(f) of this title).

''(c) NON-DEPARTMENT CARE.—(1) In furnishing mental health care services to an individual under this section, the Secretary may provide such mental health care services at a non-Department facility if—

''(A) in the judgment of a mental health professional employed by the Department, the receipt of mental health care services by that individual in facilities of the Department would be clinically inadvisable; or

''(B) facilities of the Department are not capable of furnishing such mental health care services to that individual economically because of geographical inaccessibility.

''(2) The Secretary shall carry out paragraph (1) pursuant to section 1703 of this title or any other provision of law authorizing the Secretary to enter into contracts or agreements to furnish hospital care and medical services to veterans at non-Department facilities.

''(d) SETTING AND REFERRALS.—In furnishing mental health care services to an individual under this section, the Secretary shall—

''(1) seek to ensure that such mental health care services are furnished in a setting that is therapeutically appropriate, taking into account the circumstances that resulted in the need for such mental health care services; and

''(2) provide referral services to assist former members who are not eligible for services under this chapter to obtain services from sources outside the Department.

''(e) INFORMATION.—The Secretary shall provide information on the mental health care services available under this section. Efforts by the Secretary to provide such information—

''(1) shall include availability of a toll-free telephone number (commonly referred to as an 800 number);

''(2) shall ensure that information about the mental health care services available under this section—

''(A) is revised and updated as appropriate;

''(B) is made available and visibly posted at appropriate facilities of the Department; and

''(C) is made available to State veteran agencies and through appropriate public information services; and

''(3) shall include coordination with the Secretary of Defense seeking to ensure that members of the Armed Forces and individuals who are being separated from active military, naval, or air service are provided appropriate information about programs, requirements, and procedures for applying for mental health care services under this section.

''(f) ANNUAL REPORTS.—Each year, the Secretary shall submit to Congress an annual report on the mental health care services provided pursuant to this section. Each report shall include data for the year covered by the report with respect to each of the following:

''(1) The number of individuals who received mental health care services under subsection (a), disaggregated by the number of men who received such services and the number of women who received such services.

''(2) Such other information as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 of title 38, United States Code, is amended by inserting after the item relating to section 1720H the following new item:

''1720I. Expansion of mental health care for certain former members of the Armed Forces.''.

SEC. 3. CHARACTER OF SERVICE DETERMINATIONS.

(a) IN GENERAL.—Chapter 53 of title 38, United States Code, is amended by inserting after section 5303A the following new section:

''§ 5303B. Character of service determinations

''(a) DETERMINATION.—The Secretary shall establish a process by which an individual who served in the Armed Forces and was discharged or dismissed therefrom may seek a determination from the Secretary with respect to whether such discharge or release was under a condition that bars the right of such individual to a benefit under the laws administered by the Secretary based upon the period of service from which discharged or dismissed.

''(b) PROVISION OF INFORMATION.—If the Secretary determines under subsection (a) that an individual is barred to a benefit under the laws administered by the Secretary, the Secretary shall provide to such individual information regarding the ability of the individual to address such condition, including pursuant to section 5303 of this title and chapter 79 of title 10.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5303A the following new item:

''5303B. Character of service determinations.''.