

117TH CONGRESS }
1st Session } HOUSE OF REPRESENTATIVES { REPORT
117-

GUARD AND RESERVE GI BILL PARITY ACT OF 2021

NOVEMBER --, 2021.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. TAKANO, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

together with

ADDITIONAL, DISSENTING, AND MINORITY VIEWS

[To accompany H.R. 1836]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1836) to amend title 38, United States Code, to ensure that the time during which members of the Armed Forces serve on active duty for training qualifies for educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Guard and Reserve GI Bill Parity Act of 2021".

SEC. 2. POST-9/11 EDUCATIONAL ASSISTANCE FOR CERTAIN RESERVE AND NATIONAL GUARD DUTY.

(a) OTHER QUALIFYING DUTY.—Section 3311(b) of title 38, United States Code, is amended—

(1) by striking "(including" each place it appears and inserting "(including other qualifying duty and";

(2) by striking "(excluding" each place it appears and inserting "(including other qualifying duty but excluding"; and

(3) in paragraph (2), by inserting "or other qualifying duty" after "active duty" both places it appears.

(b) OTHER QUALIFYING DUTY DEFINED.—Section 3301 of such title is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

“(3) The term ‘other qualifying duty’ means the following:

“(A) During the period beginning on August 1, 2025, and ending on July 31, 2032, active duty for training performed by a member of the Armed Forces—

“(i) on or after August 1, 2025; or

“(ii) before August 1, 2025, if such individual is a member of the Armed Forces on or after such date.

“(B) On or after August 1, 2032, duty performed before, on, or after such date that is—

“(i) active duty for training performed by a member of the Armed Forces; or

“(ii) inactive duty training performed by a member of the Armed Forces.”

(c) TIME LIMITATION FOR USE OF ENTITLEMENT FOR OTHER QUALIFYING DUTY.—Section 3321 of such title is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “; or” and inserting a semicolon;

(B) in paragraph (2), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following new paragraph:

“(3) in the case of an individual whose entitlement is based on other qualifying duty performed—

“(A) before August 1, 2025, expires on the latter of—

“(i) the end of the 15-year period beginning on the date of the discharge or release of such individual from the Armed Forces; or

“(ii) August 1, 2040; or

“(B) on or after August 1, 2025, shall not expire.”; and

(2) in subsection (b), by adding at the end the following new paragraph:

“(6) INDIVIDUALS SUBJECT TO TWO PERIODS.—In the case of an individual subject to periods under paragraphs (1) and (3)(A) of subsection (a), the period under such paragraph (3)(A) shall apply to such individual’s entitlement.”

SEC. 3. MODIFICATION OF CERTAIN HOUSING LOAN FEES.

(a) EXTENSION.—The loan fee table in section 3729(b)(2) of title 38, United States Code, is amended by striking “October 1, 2030” each place it appears and inserting “October 1, 2031”.

(b) IRRRL RATE.—The item in subparagraph (E) of the loan fee table under such section is amended to read as follows:

“(E)(i) Interest rate reduction refinancing loan (closed on or after July 1, 2022, and before October 1, 2028)	0.85	0.85	NA
(ii) Interest rate reduction refinancing loan (closed during a period not covered by clause (i)	0.50	0.50	NA”.

[INSERT COVER]

CONTENTS

	Page
Purpose and Summary	
Background and Need for Legislation.	
Hearings	
Subcommittee Consideration	
Committee Consideration	
Committee Votes	
Committee Oversight Findings	
Statement of General Performance Goals and Objectives	
New Budget Authority, Entitlement Authority, and Tax Expenditures	
Earmarks and Tax and Tariff Benefits	
Committee Cost Estimate	
Congressional Budget Office Estimate	
Federal Mandates Statement	
Advisory Committee Statement	
Constitutional Authority Statement	
Applicability to Legislative Branch	
Statement on Duplication of Federal Programs.....	
Disclosure of Directed Rulemaking.....	
Section-by-Section Analysis of the Legislation	
Changes in Existing Law Made by the Bill as Reported	

PURPOSE AND SUMMARY

H.R. 1836 the “Guard and Reserve GI Bill Parity Act of 2021” was introduced by Representative Mike Levin, the Chairman of the Subcommittee on Economic Opportunity, on March 11, 2021. H.R. 1836, as amended, would become effective in 2025 and would provide parity for accrual of active duty service credit for GI Bill eligibility for Guard and Reservists. The bill does this by amending the language in 38 U.S.C. § 3311(b) to include “other qualifying duty”, with the exception of Inactive Duty Training (IDT), as duty that counts towards GI Bill eligibility beginning August 1, 2025. For those Guard and Reservists currently serving on date of implementation in 2025, their service in non-IDT duty statuses before the date of implementation creates eligibility as well. After August 1, 2032, all federal duty statuses, including IDT, create eligibility for GI Bill for service performed before, on, or after that date.

H.R. 1836, as amended, makes adjustments to certain VA housing loan fees and is in compliance with the Pay-As-You-Go Act of 2010.

BACKGROUND AND NEED FOR LEGISLATION

In the Post 9/11 era, the Reserve Component (defined as the Army and Air National Guards, and the Army, Navy, Marine, Air Force, and Coast Guard Reserves) have become an integral part of the United States' national defense plans as an Operational Reserve, a change from their traditional role as a Strategic Reserve. However, personnel and benefits policy has not kept pace with changes in operational roles. This is putting unfair strain on service members, employers, and families.

There are increasing instances of service members from the Active and Reserve Components serving next to each other, doing the same job, running the same risks, but receiving different pay and benefits. With the Reserve Component engaged in more training and operations, which carry inherent risk due to its role as an Operational Reserve, we are seeing an increase in major accidents and fatalities among Reserve Component service members.

When the Reserve Component was a Strategic Reserve, there was a lower level of readiness required because there would be several months to train up upon Full Mobilization. Generally, Reserve Component service members could expect to train "two days a month and two weeks in the summer." Though not quite accurate, that translated to service members doing about 39 training days per year.

With the shift to an Operational Reserve, and the requirement to maintain much higher levels of readiness and much more frequent training events or deployments, Reserve Component service members are often training much more than the "two days a month and two weeks in the summer." Under the "Guard 4.0" training model, which is the new operations tempo the National Guard Bureau (NGB) put in place for its Armored Brigade Combat Teams, units can expect to do the following collective training days per year: Year 1: 39; Year 2: 45; Year 3: 60; and Year 4: 51.

Active Component service members earn eligibility for the Post 9/11-GI Bill every day they serve. For Reserve Component service members, it depends on what duty status they are under. Up until recently, Reserve Component service members deployed to the Sinai and Kosovo were not earning Post-9/11 GI Bill eligibility for their time deployed (under the 12304b duty status.) While the Committee fixed that specific duty status issue in the "Forever GI Bill" (costing nearly a billion dollars), that has not been fixed for all duty statuses. This includes drill weekends, where service members are conducting training similar to their active duty counterparts, including the same risks (if not increased risks because they spend less time operating the equipment,) but not being compensated in the same manner.

This bill ensures Guard and Reservists receive credit for every day they spend in uniform for GI Bill purposes. H.R. 1836, as amended, has the support of numerous Veteran Service Organizations, including Student Veterans of America, National Guard Association of the United States, Enlisted Association of the National Guard of the United States, and Reserve Officers of America.

HEARINGS

Pursuant to clause 3(c)(6) of Rule XIII of the Rules of the House of Representatives, the Committee held the following hearings which were used to develop H.R. 1836:

On Thursday, May 9, 2019, at 10:00 a.m., the Committee on Veterans' Affairs Subcommittees on Economic Opportunity and Technology Modernization held an oversight hearing entitled "Examining Ongoing Forever GI Bill Implementation Efforts." There was one witness panel where the following witnesses testified: Dr. Paul R. Lawrence, Under Secretary Veterans Benefits Administration, U.S. Department of Veterans Affairs, Ms. Charmain Bogue, Acting Executive Director, Education Service, Veterans Benefits Administration, Mr. James P. Gfrerer, Assistant Secretary, Office of Information and Technology, U.S. Department of Veterans Affairs, Mr. Robert Orifini, Information Technology Specialist, Architecture, Strategy, and Design, Office of Information and Technology, The Honorable Michael J. Missal, Inspector General, Office of Inspector General, Department of Veterans Affairs, Dr. Jay Schnitzer, Vice President, Chief Technology Officer, The MITRE Corporation.

On Wednesday, October 23, 2019, at 10:00 a.m., the Committee on Veterans' Affairs Subcommittees on Economic Opportunity held an oversight hearing entitled "*Protecting Benefits for All Servicemembers*". There was one witness panel at this hearing where the following witnesses testified: Major General Dawne Deskins Director, Manpower and Personnel, National Guard Bureau, Major General Michael C. O'Guinn Deputy Chief, Army Reserve, Daniel Elkins, Legislative Director, Enlisted Association of the National Guard of the United States, J. Roy Robinson, President, National Guard Association of the United States, Susan Lukas, Director, Legislation and Military Policy, Reserve Officer Association of the United States.

On Tuesday, November 19, 2019, at 10:00 a.m., the Committee on Veterans' Affairs Subcommittee on Economic Opportunity held an oversight hearing entitled "Examining Ongoing Forever GI Bill Implementation Efforts." There was one witness panel for this hearing where the following witnesses testified: Dr. Paul R. Lawrence, Under Secretary, Veterans Benefits Administration, U.S. Department of Veterans Affairs, Ms. Charmain Bogue Executive Director, Education Service, Veterans Benefits Administration, Mr. James P. Gfrerer Assistant Secretary, Office of Information and Technology, U.S. Department of Veterans Affairs, Mr. Robert Orifini, Information Technology Specialist, Architecture, Strategy, and Design, Office of Information and Technology, Dr. Jay Schnitzer, Vice President, Chief Technology Officer, The MITRE Corporation.

On Tuesday, December 8, 2020, at 10:00 a.m., the Committee on Veterans' Affairs Subcommittee on Economic Opportunity held an oversight hearing entitled "Identifying Congressional and Administration Priorities for the Next Congress: How we can support our Veterans through and after COVID-19." There was one witness panel where the following witnesses testified: Mr. Pat Murray, Director, National Legislative Service Veterans of Foreign Wars, Mr. John Kamin, Assistant Director, Veterans Employment & Education Division, The American Legion, Ms. Maureen Elias, Associate Legislative Director, Paralyzed Veterans of America, Ms. Ashlynn Haycock, Deputy Director, Policy, Tragedy Assistance Program For Survivors, Mr. Victor LaGroon, Director, Black Veteran Empowerment Council, Ms. Lauren Augustine, Vice President of Government Affairs Student Veterans of America, Ms. Tanya Ang, Vice President Veterans Education Success.

On Wednesday May 12, 2021, at 10:00 a.m., the Subcommittee on Economic Opportunity held an oversight hearing entitled “Military Transition During the COVID-19 Pandemic”. The hearing consisted of two panels. On the first panel the following witnesses testified: Vivian Richards, Program Manager, Minority Veterans of America, Dr. J. Michael Haynie, PhD., Vice Chancellor for Strategic Initiatives and Innovations, Institute for Veteran and Military Families, Syracuse University, Jennifer Dane, Executive Director, Modern Military Association of America, Matt Stevens, Chief Executive Officer, The Honor Foundation, Carolyn Lee, Executive Director, The Manufacturing Institute, Patrick Murray, Legislative Director, Veterans of Foreign Wars. On the second panel the following witnesses testified: William Mansell, Director, Defense Support Services, Department of Defense, James Rodriguez, Acting Assistant Secretary, Veterans’ Employment & Training Service, Department of Labor, Cheryl Rawls, Executive Director, Outreach, Transition and Economic Development Service (OTED) Veterans Benefits Administration, Dr. Lawrencia Pierce, Deputy Director Outreach, Transition and Economic Development Service (OTED), Veterans Benefits Administration, Joshua Lashbrook, Assistant Director of Operations Support and Digital GI Bill Program Lead, Education Service, Veterans Benefits Administration.

On July 20, 2021, at 10:00 a.m., the House Committee on Veterans’ Affairs Subcommittee on Economic Opportunity held an oversight hearing entitled “Isakson Roe at Six Months: An Update on Implementation of Education Improvements.” There was one witness panel where the following witness testified: Charmain Bogue, Executive Director, Education Service, Veterans Benefits Administration.

SUBCOMMITTEE CONSIDERATION

H.R. 1836 was considered by the Subcommittee on Economic Opportunity at a legislative hearing on March 10, 2020.

The following witnesses testified: Ms. Margarita Devlin, Principal Deputy Undersecretary for Benefits Veterans Benefits Administration, Accompanied by: Ms. Charmain Bogue, Executive Director, Education Services, Veterans Benefits Administration and Dr. Keith Harris, Director of Clinical Operations, VHA Homelessness Program Office, Veterans Health Administration; Mr. Frank Yoakum, Executive Director, Enlisted Association of the National Guard; Mr. Richard Gentry, President & CEO, San Diego Housing Commission; Mr. Justin Hauschild, Legal Fellow, Student Veterans of America; Mr. Patrick Murray, Deputy Director, Veterans of Foreign Wars

COMMITTEE CONSIDERATION

On November 4, 2021, the full Committee met in an open markup session, a quorum being present, and ordered H.R. 1836, as amended, reported favorably to the House of Representatives by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report the legislation and amendments thereto.

There was an amendment offered by Congressman Mike Levin of California to H.R. 1836, which was agreed to by a roll call vote of 17-12.

[INSET VOTE SHEET]

There was an amendment offered by Congressman Barry Moore of Alabama to H.R. 1836, which was not agreed to by a voice vote.

There was a motion by Congressman Mike Levin of California to favorably report H.R. 1836, as amended, to the U.S. House of Representatives, which was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance goals and objectives for this legislation: equity of readjustment educational benefits for all members of the armed forces, including National Guard and Reserve Components.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 1836, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 1836, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 1836 provided by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

According to the Congressional Budget Office estimate, H.R.1836, as amended, would provide members of the National Guard and Reserve Components Post 9/11 Education Assistance for certain duties carried out during their service time. The Congressional Budget office estimates over the ten-year budget period of Fiscal Year 2022 to Fiscal Year 2031, H.R. 1836, as reported, would result in a savings of \$20 million.

This is accounted for from \$1.94 billion in new mandatory spending in additional educational benefits, and \$1.96 billion in new home loan fees.

[Insert CBO letter]

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 1836 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 1836.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 1836 is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 1836 does not relate to the terms and conditions of employment or access to public services or accommodations within the legislative branch.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 1836 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to clause 3(c)(5) of Rule XIII, the Committee estimates that H.R. 1836 contains no directed rule making that would require the Secretary to prescribe regulations.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1: Short Title: This Act may be cited as the “Guard and Reserve GI Bill Parity Act of 2021”.

Section 2: Amends the language in 38 U.S.C. § 3311(b) to include “other qualifying duty”, with the exception of Inactive Duty Training (IDT), as duty that counts towards GI Bill eligibility beginning August 1, 2025. For those Guard and Reservists currently serving on date of implementation in 2025, their service in non-IDT duty statuses before the date of implementation creates eligibility as well. After August 1, 2032, all federal duty statuses, including IDT, create eligibility for GI Bill for service performed before, on, or after that date.

Section 3: Makes adjustments to VA Home Loan fees by extending certain fees from October 1, 2030 to October 1, 2031. Makes adjustments to the Interest Rate Reduction Refinancing Loan rates.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

[Insert Ramseyer]

MINORITY VIEWS

Clause 2(c) of rule XIII of the Rules of the House of Representatives requires each report by a committee on a public matter to include any additional, minority, supplemental, or dissenting views submitted pursuant to clause 2(1) of rule XI of the Rules of the House of Representatives by one or more members of the committee. The minority views of members of the Committee are as follows:

[Insert Minority Views]

ONE HUNDRED SEVENTEENTH CONGRESS
 U.S. HOUSE OF REPRESENTATIVES
 COMMITTEE ON VETERANS' AFFAIRS

OPEN:	X
MEETING:	X
ROOM NUMBER:	Virtual

FULL COMMITTEE ROLL CALL VOTES

Date: 11/4/2021

Roll Call #: 1

Bill No: H.R. 1836 - Guard and Reserve GI Bill Parity Act of 2021 - Offered by Rep. Levin

Description: A motion to agree to the A.N.S. to H.R. 1836, agreed to by a roll call vote of 17 – 12

NAME	AYE	NO	NOTES
MAJORITY MEMBERS			
1. Mark Takano, CA, Chairman	X		
2. Julia Brownley, CA	X		
3. Conor Lamb, PA	X		
4. Mike Levin, CA	X		
5. Chris Pappas, NH	X		
6. Elaine G. Luria, VA	X		
7. Frank Mrvan, IN	X		
8. <i>Gregorio Kilili Camacho Sablan, MP</i>	X		
9. <i>Lauren Underwood, IL</i>	X		
10. <i>Colin Z. Allred, TX</i>	X		
11. <i>Lois Frankel, FL</i>	X		
12. <i>Anthony Brown, MD</i>	X		
13. <i>Elissa Slotkin, MI</i>	X		
14. <i>David Trone, MD</i>	X		
15. <i>Marcy Kaptur, OH</i>	X		
16. <i>Raul Ruiz, CA</i>	X		
17. <i>Ruben Gallego, AZ</i>	X		
MINORITY MEMBERS			
1. Mike Bost, IL, Ranking Member		X	
2. Amata Coleman Radewagen, AS			
3. Jack Bergman, MI		X	
4. Jim Banks, IN		X	
5. Chip Roy, TX		X	
6. Greg Murphy, NC		X	
7. Tracey Mann, KS		X	
8. Barry Moore, AL		X	
9. Nancy Mace, SC		X	
10. Madison Cawthorn, NC			
11. Troy Nehls, TX		X	
12. Matt Rosendale, MT		X	
13. Mariannette Miller-Meeks, IA		X	
14. Jake Ellzey, TX		X	
Total	17	12	

Mr. Chairman, for this vote there are 17 Ayes and 12 Noes

At a Glance

H.R. 1836, Guard and Reserve GI Bill Parity Act of 2021

As ordered reported by the House Committee on Veterans' Affairs on November 4, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	-108	-641	-20
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	-108	-641	-20

Spending Subject to Appropriation (Outlays)	0	0	0
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Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	> \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Increase the fees that borrowers pay to the Department of Veterans Affairs (VA) for home loan guarantees
- Credit certain time spent training while serving in the reserve components toward entitlement for Post-9/11 GI Bill benefits

Estimated budgetary effects would mainly stem from

- Higher fees charged by VA for home loan guarantees
- Increased use of Post-9/11 GI Bill benefits

Areas of significant uncertainty include

- Predicting the number of reservists and guard members who would become eligible for benefits under the Post-9/11 GI Bill solely as a result of time spent on active duty for training

Detailed estimate begins on the next page.

Bill Summary

H.R. 1836 would raise the fees that the Department of Veterans Affairs (VA) collects from borrowers to partially offset the cost of home loan guarantees. The bill also would credit time spent on active duty for training in the reserve components toward entitlement for education benefits under the Post-9/11 GI Bill.

Estimated Federal Cost

The estimated budgetary effects of H.R. 1836 are shown in Table 1. The bill would decrease direct spending by \$20 million over the 2022-2031 period. The costs of the legislation fall within budget function 700 (veterans benefits and services).

Table 1. Estimated Budgetary Effects of H.R. 1836												
By Fiscal Year, Millions of Dollars											2022- 2026	2022- 2031
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
Increases or Decreases (-) in Direct Spending												
Home Loan Fees	-108	-205	-180	-173	-152	-152	-140	0	0	-850	-818	-1,960
Post-9/11 GI Bill	0	0	0	14	163	263	301	328	356	515	177	1,940
Total Changes in Direct Spending	-108	-205	-180	-159	11	111	161	328	356	-335	-641	-20

Budget authority is equal to the outlays shown here for all provisions.

Basis of Estimate

For this estimate, CBO assumes that H.R. 1836 will be enacted in 2022 and that the bill's provisions will take effect on the specified dates. Estimated outlays are based on historical spending patterns for the affected programs.

Direct Spending

H.R. 1836 would make changes to VA's home loan program and the Post-9/11 GI Bill program. On net, enacting the bill would decrease direct spending by \$20 million over the 2022-2031 period, CBO estimates.

Home Loan Fees. VA provides loan guarantees to lenders to help eligible borrowers obtain better loan terms—such as lower interest rates or smaller down payments—for purchasing, constructing, or refinancing a home. VA typically pays lenders up to 25 percent of the outstanding mortgage balance if a borrower's home is foreclosed upon. Those payments, net of fees paid by borrowers and recoveries by lenders, constitute the subsidy cost of VA loan

guarantees, which is paid from mandatory appropriations; hence, changing the subsidy cost affects direct spending.¹

Under current law, most of the fees borrowers pay to VA for loan guarantees after 2030 will decline from a weighted average of 2.5 percent of the loan amount to 1.2 percent. H.R. 1836 would extend the higher rates through 2031. The bill also would raise fees for guarantees of certain refinancing loans from 0.5 percent to 0.85 percent over the period from July 1, 2022, to September 30, 2028. Using information from VA about the volume of guaranteed loans in recent years, the default rate for those loans, and the amount of fees collected for the guarantees, CBO estimates that extending the higher fee rates would decrease direct spending by almost \$2 billion over the 2022-2031 period.

Post-9/11 GI Bill. Under the Post-9/11 GI Bill, VA pays tuition, housing, and other expenses for up to 36 months for beneficiaries who pursue approved education or training programs. People who serve at least 30 days on active duty in the armed forces are eligible for benefits. Those who serve at least six years in any of the uniformed services and agree to serve another four years may be approved to transfer benefits to their spouse or children. The amount of those benefits depends on the period of time that service members are on active duty.

Full benefits are paid to or on behalf of those who served on active duty for at least 36 months or for 30 continuous days if they were discharged because of a service-connected disability. The benefits consist of an amount equivalent to in-state tuition and fees at a public postsecondary institution or up to \$26,043 (for the 2021-2022 academic year) annually for a private or a foreign institution, a monthly housing allowance (national average of \$1,896) for students enrolled more than half-time, and a stipend for books and supplies (up to \$1,000 each year). Entitlement to benefits for veterans who spent less than 36 months on active duty are reduced on the basis of the period of time served.

For reservists and guard members who serve on or after August 1, 2025, H.R. 1836 would count time in active duty for training toward for Post-9/11 GI Bill benefits. For the reserve components, active duty for training consists of nearly all full-time duty other than during mobilizations, including the two weeks of annual training required of every reservist and guard member. That training is not counted towards entitlement for the Post-9/11 GI Bill under current law.

1. Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses offset by any payments to the government, including origination or other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed or modified.



By counting the time spent in active duty for training, H.R.1837 would increase benefit amounts for some people who already will be using benefits under current law, CBO anticipates, and it would increase the number of people who would use benefits because the amounts would be larger than they are under current law. The provision also would make some people eligible for benefits solely because of participation in two weeks of annual training. According to the Department of Defense, the average member of the reserve components serves for eight years; those reservists or guard members would accrue an additional four months of service toward entitlement for Post-9/11 GI Bill benefits.

Using information from VA, CBO estimates that the additional time counted would increase annual benefits, on average, by about \$2,500 each for the roughly 15,000 beneficiaries who are eligible under current law for reduced benefits. In addition, roughly 2,500 people who would not use benefits under current law would use the larger benefit amounts under the bill, at an average annual cost of about \$13,500 per beneficiary. Lastly, roughly 23,000 people who became eligible solely because of their time in active duty for training would use the benefits, at an annual cost of about \$9,000 each, on average.

CBO estimates that in total, those larger benefit amounts and additional beneficiaries would increase direct spending by \$1.9 billion over the 2022-2031 period.

Uncertainty

A significant source of uncertainty for CBO's estimate involves the number of reservists and guard members who would become newly eligible for benefits under the Post-9/11 GI Bill solely as a result of serving on active duty for training. If that number is higher or lower than projected, the cost of the bill could differ significantly from the estimated amounts.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

Increase in Long-Term Deficits

CBO estimates that enacting H.R. 1836 would increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2032 because a provision taking effect on August 1 of that year would count both active and inactive duty for training before, on, or after that date for benefits under the Post-9/11 GI Bill. The increases in home loan fees under the bill would expire before 2032 and thus would have no long-term effects on deficits.



Mandates: None.

Estimate Prepared By

Federal Costs: Paul B.A. Holland

Mandates: Brandon Lever

Estimate Reviewed By

David Newman

Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Leo Lex

Deputy Director of Budget Analysis

Theresa Gullo

Director of Budget Analysis



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Phillip L. Swagel, Director

December 6, 2021

Honorable Mark Takano
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1836, the Guard and Reserve GI Bill Parity Act of 2021.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Paul B.A. Holland.

Sincerely,

A handwritten signature in black ink that reads "Phillip L. Swagel".

Phillip L. Swagel

Enclosure

cc: Honorable Mike Bost
Ranking Member

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * *

CHAPTER 33—POST-9/11 EDUCATIONAL ASSISTANCE

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SUBCHAPTER I—DEFINITIONS

§ 3301. Definitions

In this chapter:

(1) The term “active duty” has the meanings as follows (subject to the limitations specified in sections 3002(6) and 3311(b)):

(A) In the case of members of the regular components of the Armed Forces, the meaning given such term in section 101(21)(A).

(B) In the case of members of the reserve components of the Armed Forces, service on active duty under a call or order to active duty under section 688, 12301(a), 12301(d), 12301(g), 12301(h), 12302, 12304, 12304a, or 12304b of title 10 or section 712 of title 14.

(C) In the case of a member of the Army National Guard of the United States or Air National Guard of the United States, in addition to service described in subparagraph (B), full-time service—

(i) in the National Guard of a State for the purpose of organizing, administering, recruiting, instructing, or training the National Guard; or

(ii) in the National Guard under section 502(f) of title 32 when authorized by the President or the Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by Federal funds.

(2) The term “entry level and skill training” means the following:

(A) In the case of members of the Army, Basic Combat Training and Advanced Individual Training or One Station Unit Training.

(B) In the case of members of the Navy, Recruit Training (or Boot Camp) and Skill Training (or so-called “A” School).

(C) In the case of members of the Air Force or the Space Force, Basic Military Training and Technical Training.

(D) In the case of members of the Marine Corps, Recruit Training and Marine Corps Training (or School of Infantry Training).

(E) In the case of members of the Coast Guard, Basic Training and Skill Training (or so-called “A” School).

(3) The term “other qualifying duty” means the following:

(A) During the period beginning on August 1, 2025, and ending on July 31, 2032, active duty for training performed by a member of the Armed Forces—

(i) on or after August 1, 2025; or

(ii) before August 1, 2025, if such individual is a member of the Armed Forces on or after such date.

(B) On or after August 1, 2032, duty performed before, on, or after such date that is—

(i) active duty for training performed by a member of the Armed Forces; or

(ii) inactive duty training performed by a member of the Armed Forces.

[(3)] (4) The term “program of education” has the meaning given such term in section 3002, except to the extent otherwise provided in section 3313.

[(4)] (5) The term “Secretary of Defense” means the Secretary of Defense, except that the term means the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy.

* * * * *

SUBCHAPTER II—EDUCATIONAL ASSISTANCE

§ 3311. Educational assistance for service in the Armed Forces commencing on or after September 11, 2001: entitlement

(a) ENTITLEMENT.—Subject to subsections (d) and (e), each individual described in subsection (b) is entitled to educational assistance under this chapter.

(b) COVERED INDIVIDUALS.—An individual described in this subsection is any individual as follows:

(1) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 36 months on active duty in the Armed Forces [(including] *including other qualifying duty and* service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

- (i) continues on active duty; or
- (ii) is discharged or released from active duty as described in subsection (c).

(2) An individual who—

(A) commencing on or after September 11, 2001, serves at least 30 continuous days on active duty *or other qualifying duty* in the Armed Forces; and

(B) after completion of service described in subparagraph (A), is discharged or released from active duty *or other qualifying duty* in the Armed Forces for a service-connected disability.

(3) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 30 months, but less than 36 months, on active duty in the Armed Forces [(including] (*including other qualifying duty and* service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

- (i) continues on active duty for an aggregate of less than 36 months; or
- (ii) before completion of service on active duty of an aggregate of 36 months, is discharged or released from active duty as described in subsection (c).

(4) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 24 months, but less than 30 months, on active duty in the Armed Forces [(including] (*including other qualifying duty and* service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

- (i) continues on active duty for an aggregate of less than 30 months; or
- (ii) before completion of service on active duty of an aggregate of 30 months, is discharged or released from active duty as described in subsection (c).

(5) An individual who—

(A) commencing on or after September 11, 2001, serves an aggregate of at least 18 months, but less than 24 months, on active duty in the Armed Forces [(excluding] (*including other qualifying duty but excluding* service on active duty in entry level and skill training); and

(B) after completion of service described in subparagraph (A)—

- (i) continues on active duty for an aggregate of less than 24 months; or
- (ii) before completion of service on active duty of an aggregate of 24 months, is discharged or released from active duty as described in subsection (c).

(6) An individual who—

- (A) commencing on or after September 11, 2001, serves an aggregate of at least 6 months, but less than 18 months, on active duty in the Armed Forces [(excluding] *(including other qualifying duty but excluding service on active duty in entry level and skill training)*; and
- (B) after completion of service described in subparagraph (A)—
- (i) continues on active duty for an aggregate of less than 18 months; or
- (ii) before completion of service on active duty of an aggregate of 18 months, is discharged or released from active duty as described in subsection (c).
- (7) An individual who—
- (A) commencing on or after September 11, 2001, serves an aggregate of at least 90 days, but less than 6 months, on active duty in the Armed Forces [(excluding] *(including other qualifying duty but excluding service on active duty in entry level and skill training)*; and
- (B) after completion of service described in subparagraph (A)—
- (i) continues on active duty for an aggregate of less than 6 months; or
- (ii) before completion of service on active duty of an aggregate of 6 months, is discharged or released from active duty as described in subsection (c).
- (8) An individual who is the child or spouse of a person who, on or after September 11, 2001, dies in line of duty while serving on active duty as a member of the Armed Forces.
- (9) An individual who is the child or spouse of a person who, on or after September 11, 2001, dies in line of duty while serving on duty other than active duty as a member of the Armed Forces.
- (10) An individual who is the child or spouse of a member of the Selected Reserve who dies on or after September 11, 2001, while a member of the Selected Reserve from a service-connected disability.
- (11) An individual who is awarded the Purple Heart for service in the Armed Forces occurring on or after September 11, 2001, and continues to serve on active duty in the Armed Forces or is discharged or released from active duty as described in subsection (c).
- (c) COVERED DISCHARGES AND RELEASES.—A discharge or release from active duty of an individual described in this subsection is a discharge or release as follows:
- (1) A discharge from active duty in the Armed Forces with an honorable discharge.
- (2) A release after service on active duty in the Armed Forces characterized by the Secretary concerned as honorable service and placement on the retired list, transfer to the Fleet Reserve or Fleet Marine Corps Reserve, or placement on the temporary disability retired list.
- (3) A release from active duty in the Armed Forces for further service in a reserve component of the Armed Forces after

service on active duty characterized by the Secretary concerned as honorable service.

(4) A discharge or release from active duty in the Armed Forces after service on active duty in the Armed Forces characterized by the Secretary concerned as honorable service for—

(A) a medical condition which preexisted the service of the individual as described in the applicable paragraph of subsection (b) and which the Secretary determines is not service-connected;

(B) hardship; or

(C) a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct but did interfere with the individual's performance of duty, as determined by the Secretary concerned in accordance with regulations prescribed by the Secretary of Defense.

(d) PROHIBITION ON TREATMENT OF CERTAIN SERVICE AS PERIOD OF ACTIVE DUTY.—The following periods of service shall not be considered a part of the period of active duty on which an individual's entitlement to educational assistance under this chapter is based:

(1) A period of service on active duty of an officer pursuant to an agreement under section 2107(b) of title 10.

(2) A period of service on active duty of an officer pursuant to an agreement under section 7448, 8459, or 9448 of title 10 or section 182 of title 14.

(3) A period of service that is terminated because of a defective enlistment and induction based on—

(A) the individual's being a minor for purposes of service in the Armed Forces;

(B) an erroneous enlistment or induction; or

(C) a defective enlistment agreement.

(e) TREATMENT OF INDIVIDUALS ENTITLED UNDER MULTIPLE PROVISIONS.—In the event an individual entitled to educational assistance under this chapter is entitled by reason of both paragraphs (4) and (5) of subsection (b), the individual shall be treated as being entitled to educational assistance under this chapter by reason of paragraph (5) of subsection (b).

(f) MARINE GUNNERY SERGEANT JOHN DAVID FRY SCHOLARSHIP.—

(1) IN GENERAL.—Educational assistance payable by reason of paragraphs (8), (9), and (10) of subsection (b) shall be known as the "Marine Gunnery Sergeant John David Fry scholarship".

(2) LIMITATION.—The entitlement of an individual to assistance under subsection (a) pursuant to paragraphs (8), (9), and (10) of subsection (b) because the individual was a spouse of a person described in such paragraph shall expire on the earlier of—

(A) the date that is 15 years after the date on which the person died; or

(B) the date on which the individual remarries.

(3) ELECTION ON RECEIPT OF CERTAIN BENEFITS.—Except as provided in paragraph (4), a surviving spouse entitled to assistance under subsection (a) pursuant to paragraphs (8), (9), and (10) of subsection (b) who is also entitled to educational assistance under chapter 35 of this title may not receive assistance under both this section and such chapter, but shall make an irrevocable election (in such form and manner as the Secretary may prescribe) under which section or chapter to receive educational assistance.

(4) EXCEPTION FOR CERTAIN ELECTIONS.—

(A) IN GENERAL.—An election made under paragraph (3) by a spouse described in subparagraph (B) may not be treated as irrevocable if such election occurred before the date of the enactment of this paragraph.

(B) ELIGIBLE SURVIVING SPOUSE.—A spouse described in this subparagraph is an individual—

(i) who is entitled to assistance under subsection (a) pursuant to paragraphs (8), (9), and (10) of subsection (b); and

(ii) who was the spouse of a member of the Armed Forces who died during the period beginning on September 11, 2001, and ending on December 31, 2005.

(5) DEFINITION OF CHILD.—For purposes of paragraphs (8), (9), and (10) of subsection (b), the term “child” includes a married individual or an individual who is above the age of twenty-three years.

* * * * *

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

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

(a) IN GENERAL.—Except as provided in this section, the period during which an individual entitled to educational assistance under this chapter may use such individual’s entitlement—

(1) in the case of an individual whose last discharge or release from active duty is before January 1, 2013, expires at the end of the 15-year period beginning on the date of such discharge or release[; or];

(2) in the case of an individual whose last discharge or release from active duty is on or after January 1, 2013, shall not expire[.]; or

(3) in the case of an individual whose entitlement is based on other qualifying duty performed—

(A) before August 1, 2025, expires on the latter of—

(i) the end of the 15-year period beginning on the date of the discharge or release of such individual from the Armed Forces; or

(ii) August 1, 2040; or

(B) on or after August 1, 2025, shall not expire.

(b) EXCEPTIONS.—

(1) APPLICABILITY OF SECTION 3031 TO RUNNING OF PERIOD.—Subsections (b), (c), and (d) of section 3031 shall apply with respect to the running of the 15-year period described in subsection (a) of this section in the same manner as such subsections apply under section 3031 with respect to the running of the 10-year period described in section 3031(a).

(2) APPLICABILITY OF SECTION 3031 TO TERMINATION.—Section 3031(f) shall apply with respect to the termination of an individual’s entitlement to educational assistance under this chapter in the same manner as such section applies to the termination of an individual’s entitlement to educational assistance under chapter 30, except that, in the administration of such section for purposes of this chapter, the reference to section 3013 shall be deemed to be a reference to section 3312 of this title.

(3) DETERMINATION OF LAST DISCHARGE OR RELEASE.—For purposes of subsection (a), an individual’s last discharge or release from active duty shall not include any discharge or release from a period of active duty of less than 90 days of continuous service, unless the individual is discharged or released as described in section 3311(b)(2).

(4) APPLICABILITY TO CHILDREN OF DECEASED MEMBERS.—The period during which a child entitled to educational assistance by reason of section 3311(b)(8) of this title may use such child’s entitlement—

(A) in the case of a child who first becomes entitled to such entitlement before January 1, 2013, expires at the end of the 15-year period beginning on the date of such child’s eighteenth birthday; or

(B) in the case of a child who first becomes entitled to such entitlement on or after January 1, 2013, shall not expire.

(5) APPLICABILITY TO SPOUSES OF DECEASED MEMBERS.—The period during which a spouse entitled to educational assistance by reason of section 3311(b)(9) may use such spouse’s entitlement—

(A) in the case of a spouse who first becomes entitled to such entitlement before January 1, 2013, expires at the end of the 15-year period beginning on the date on which the spouse first becomes entitled to such entitlement; or

(B) in the case of a spouse who first becomes entitled to such entitlement on or after January 1, 2013, shall not expire.

(6) INDIVIDUALS SUBJECT TO TWO PERIODS.—*In the case of an individual subject to periods under paragraphs (1) and (3)(A) of subsection (a), the period under such paragraph (3)(A) shall apply to such individual’s entitlement.*

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CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

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SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

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§ 3729. Loan fee

(a) REQUIREMENT OF FEE.—(1) Except as provided in subsection (c), a fee shall be collected from each person obtaining a housing loan guaranteed, insured, or made under this chapter, and each person assuming a loan to which section 3714 of this title applies. No such loan may be guaranteed, insured, made, or assumed until the fee payable under this section has been remitted to the Secretary.

(2) The fee may be included in the loan and paid from the proceeds thereof.

(b) DETERMINATION OF FEE.—(1) The amount of the fee shall be determined from the loan fee table in paragraph (2). The fee is expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

(2) The loan fee table referred to in paragraph (1) is as follows:

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020)	2.15	2.40	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before April 7, 2023)	2.30	2.30	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after April 7, 2023, and before 【October 1, 2030】 <i>October 1, 2031</i>)	2.15	2.15	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after 【October 1, 2030】 <i>October 1, 2031</i>)	1.40	1.40	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020)	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before April 7, 2023)	3.60	3.60	NA
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after April 7, 2023, and before 【October 1, 2030】 <i>October 1, 2031</i>)	3.30	3.30	NA
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after 【October 1, 2030】 <i>October 1, 2031</i>)	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020)	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before April 7, 2023)	1.65	1.65	NA
(C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after April 7, 2023, and before 【October 1, 2030】 <i>October 1, 2031</i>)	1.50	1.50	NA
(C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after 【October 1, 2030】 <i>October 1, 2031</i>)	0.75	0.75	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(D)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020)	1.25	1.50	NA
(D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before April 7, 2023)	1.40	1.40	NA
(D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after April 7, 2023, and before October 1, 2030 <i>October 1, 2031</i>)	1.25	1.25	NA
(D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2030 <i>October 1, 2031</i>)	0.50	0.50	NA
[(E) Interest rate reduction refinancing loan	0.50	0.50	NA]
<i>(E)(i) Interest rate reduction refinancing loan (closed on or after July 1, 2022, and before October 1, 2028)</i>	0.85	0.85	NA
<i>(ii) Interest rate reduction refinancing loan (closed during a period not covered by clause (i))</i>	0.50	0.50	NA
(F) Direct loan under section 3711	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)	1.25	1.25	NA
(I) Loan assumption under section 3714	0.50	0.50	0.50
(J) Loan under section 3733(a)	2.25	2.25	2.25

(3) Any reference to a section in the “Type of loan” column in the loan fee table in paragraph (2) refers to a section of this title.

(4) For the purposes of paragraph (2):

(A) The term “active duty veteran” means any veteran eligible for the benefits of this chapter other than a Reservist.

(B) The term “Reservist” means a veteran described in section 3701(b)(5)(A) of this title who is eligible under section 3702(a)(2)(E) of this title.

(C) The term “other obligor” means a person who is not a veteran, as defined in section 101 of this title or other provision of this chapter.

(D)(i) The term “initial loan” means a loan to a veteran guaranteed under section 3710 or made under section 3711 of

this title if the veteran has never obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(ii) If a veteran has obtained a loan guaranteed under section 3710 or made under section 3711 of this title and the dwelling securing such loan was substantially damaged or destroyed by a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), the Secretary shall treat as an initial loan, as defined in clause (i), the next loan the Secretary guarantees or makes to such veteran under section 3710 or 3711, respectively, if—

(I) such loan is guaranteed or made before the date that is three years after the date on which the dwelling was substantially damaged or destroyed; and

(II) such loan is only for repairs or construction of the dwelling, as determined by the Secretary.

(E) The term “subsequent loan” means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title that is not an initial loan.

(F) The term “interest rate reduction refinancing loan” means a loan described in section 3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11), 3712(a)(1)(F), or 3762(h) of this title.

(G) The term “0-down” means a downpayment, if any, of less than 5 percent of the total purchase price or construction cost of the dwelling.

(H) The term “5-down” means a downpayment of at least 5 percent or more, but less than 10 percent, of the total purchase price or construction cost of the dwelling.

(I) The term “10-down” means a downpayment of 10 percent or more of the total purchase price or construction cost of the dwelling.

(c) WAIVER OF FEE.—(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who, but for the receipt of retirement pay or active service pay, would be entitled to receive compensation), from a surviving spouse of any veteran (including a person who died in the active military, naval, air, or space service) who died from a service-connected disability, or from a member of the Armed Forces who is serving on active duty and who provides, on or before the date of loan closing, evidence of having been awarded the Purple Heart.

(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

(i) as the result of a pre-discharge disability examination and rating; or

(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.

* * * * *

DISSENTING VIEWS

The Minority offers the following dissenting views regarding H.R. 1836, as amended.

First, I have concerns about the lack of process that has been completed by the Majority in reporting this bill favorably to the full House. The Majority's report of H.R. 1836, as amended, (the bill) cites a Subcommittee on Economic Opportunity hearing on H.R. 5870¹ that took place on March 10, 2020, in the 116th Congress. H.R. 5879 is similar in concept to the text of the bill but there are significant differences in regard to new benefits and how they are paid for under current budget rules. I also reject the Majority's attempt to use process on a similar bill from a previous Congress, and claim that a different bill, in a new Congress, has undergone the same level of legislative rigor. Moreover, not only have half of the members of the Committee changed since the 116th Congress, but so too has the Administration. I believe that many of the questions we pose below could have been addressed if the Majority had included this bill in one of the two legislative hearings held by the Subcommittee on Economic Opportunity in the last year.

Second, I have policy concerns regarding the potential vast expansion of benefits that would be provided if the bill were enacted. There is no question that members of the National Guard continue to serve the nation with courage and resolve in the face of numerous and diverse missions as part of the operational reserve. Under current law, active-duty service under Federal orders for service other than training, is not covered as qualifying time for the G.I. Bill unless this service is in support of a national emergency following a national declaration by the President. I agree that this bar is too high and believe in simplifying the law so that any time spent on active-duty orders for service other than training would count towards G.I. Bill eligibility. To that end, Representative Barry Moore (AL-02), introduced H.R. 2047 on March 18, 2021, to achieve that policy objective². I am supportive of this improvement because I question the appropriateness of the benefits that are extended in H.R. 1836. I do not believe in a tight fiscal environment that the extension of eligibility for training time on active duty is meeting the spirit of service in the National Guard compared to providing benefits for full time active-duty service. I also have questions about how this change could impact retention in both the active and reserve branches. Once again, these are the type of questions and concerns that could have been explored if the bill had been subject to a legislative hearing. I note that my staff had requested that H.R. 2047 be part of the agenda for the Subcommittee on Economic Opportunity's legislative hearing on April 14, 2021, but this request was denied by the Majority.

Third, outside of the new benefits in the bill, I also have questions on how the proposed changes to the funding fee for Interest Rate Reduction Refinanced Loans (IRRRL) would impact the use of these loans by eligible veterans. All members would have benefited from this proposed change being part of a legislative hearing where we could have heard the view of the U.S. Department of Veterans Affairs (VA), the mortgage industry, consumer groups, and veteran service organizations (VSO).

¹ <https://www.congress.gov/bill/116th-congress/house-bill/5870?q=%7B%22search%22%3A%5B%22%22%5D%7D&s=1&r=4>

² <https://www.congress.gov/bill/117th-congress/house-bill/2047>

Fourth, I have concerns about using the proposed offsets for this program expansion given competing priorities. Since the beginning of the 117th Congress, the members of the Majority have joined Republican members in our pledge to address the needs of toxic-exposed servicemembers and veterans as our top priority. The Congressional Budget Office (CBO) has concluded that the cost to expand health care and benefits to toxic-exposed veterans will be in the hundreds of billions of dollars over ten years³. While the shape these benefits may take is still a matter of debate, I believe we should hold off on spending significant mandatory offset dollars, like those proposed in this bill, until Congress acts on addressing toxic exposure issues.

Even if toxic exposure benefits were addressed, I believe that there are more pressing priorities to spend the nearly \$2.0 billion dollars in offsets on than benefit parity for the National Guard, especially improving benefits for service-connected veterans. Finally, I have concerns that the true costs of this bill are not being fully offset. The Congressional Budget Office estimate for the bill states:

CBO estimates that enacting H.R. 1836 would increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2032 because a provision taking effect on August 1 of that year would count both active and inactive duty for training before, on, or after that date for benefits under the Post-9/11 GI Bill. The increases in home loan fees under the bill would expire before 2032 and thus would have no long-term effects on deficits.⁴

Since the majority of the expansion of benefits for inactive duty training and other benefits would not occur until 2032 – over a decade after the enactment of this bill – the Committee does not have insight on the true cost to future taxpayers if the bill is enacted once the home loan fee extension expires in 2032. Once again, if this bill had the benefit of a legislative hearing, the Committee could have explored whether the merits of the benefits expansion in the bill outweigh the additional cost to taxpayers.



Mike Bost
Ranking Member

³ <https://www.cbo.gov/publication/57669>

⁴ <https://www.cbo.gov/system/files/2021-12/hr1836.pdf>