

107TH CONGRESS
2D SESSION

H. R. 4085

AN ACT

To amend title 38, United States Code, to provide a cost-of-living increase in the rates of compensation for veterans with service-connected disability and dependency and indemnity compensation for surviving spouses of such veterans, to expand certain benefits for veterans and their survivors, and for other purposes.

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1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans’ and Sur-
5 vivors’ Benefits Expansion Act of 2002”.

6 **SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSA-**
7 **TION AND DEPENDENCY AND INDEMNITY**
8 **COMPENSATION.**

9 (a) **RATE ADJUSTMENT.**—The Secretary of Veterans
10 Affairs shall, effective on December 1, 2002, increase the
11 dollar amounts in effect for the payment of disability com-
12 pensation and dependency and indemnity compensation by
13 the Secretary, as specified in subsection (b).

14 (b) **AMOUNTS TO BE INCREASED.**—The dollar
15 amounts to be increased pursuant to subsection (a) are
16 the following:

17 (1) **COMPENSATION.**—Each of the dollar
18 amounts in effect under section 1114 of title 38,
19 United States Code.

20 (2) **ADDITIONAL COMPENSATION FOR DEPEND-**
21 **ENTS.**—Each of the dollar amounts in effect under
22 sections 1115(1) of such title.

23 (3) **CLOTHING ALLOWANCE.**—The dollar
24 amount in effect under section 1162 of such title.

1 (4) NEW DIC RATES.—The dollar amounts in
2 effect under paragraphs (1) and (2) of section
3 1311(a) of such title.

4 (5) OLD DIC RATES.—Each of the dollar
5 amounts in effect under section 1311(a)(3) of such
6 title.

7 (6) ADDITIONAL DIC FOR SURVIVING SPOUSES
8 WITH MINOR CHILDREN.—The dollar amount in ef-
9 fect under section 1311(b) of such title.

10 (7) ADDITIONAL DIC FOR DISABILITY.—The
11 dollar amounts in effect under sections 1311(c) and
12 1311(d) of such title.

13 (8) DIC FOR DEPENDENT CHILDREN.—The
14 dollar amounts in effect under sections 1313(a) and
15 1314 of such title.

16 (c) DETERMINATION OF INCREASE.—(1) The in-
17 crease under subsection (a) shall be made in the dollar
18 amounts specified in subsection (b) as in effect on Novem-
19 ber 30, 2002.

20 (2) Except as provided in paragraph (3), each such
21 amount shall be increased by the same percentage as the
22 percentage by which benefit amounts payable under title
23 II of the Social Security Act (42 U.S.C. 401 et seq.) are
24 increased effective December 1, 2002, as a result of a de-

1 termination under section 215(i) of such Act (42 U.S.C.
2 415(i)).

3 (3) Each dollar amount increased pursuant to para-
4 graph (2) shall, if not a whole dollar amount, be rounded
5 down to the next lower whole dollar amount.

6 (d) SPECIAL RULE.—The Secretary may adjust ad-
7 ministratively, consistent with the increases made under
8 subsection (a), the rates of disability compensation pay-
9 able to persons within the purview of section 10 of Public
10 Law 85–857 (72 Stat. 1263) who are not in receipt of
11 compensation payable pursuant to chapter 11 of title 38,
12 United States Code.

13 (e) PUBLICATION OF ADJUSTED RATES.—At the
14 same time as the matters specified in section 215(i)(2)(D)
15 of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are
16 required to be published by reason of a determination
17 made under section 215(i) of such Act during fiscal year
18 2003, the Secretary of Veterans Affairs shall publish in
19 the Federal Register the amounts specified in subsection
20 (b), as increased pursuant to that section.

21 **SEC. 3. RETENTION OF DEPENDENCY AND INDEMNITY**
22 **COMPENSATION FOR SURVIVING SPOUSES**
23 **REMARRYING AFTER AGE 65.**

24 (a) EXCEPTION TO TERMINATION OF BENEFITS
25 UPON REMARRIAGE.—Paragraph (2) of section 103(d) of

1 title 38, United States Code, is amended by striking “if
2 the remarriage” and all that follows and inserting “if—

3 “(A) the remarriage occurs after the surviving
4 spouse attains age 65;

5 “(B) the remarriage has been terminated by
6 death; or

7 “(C) the remarriage has been terminated by di-
8 vorce, unless the Secretary determines that the di-
9 vorce was secured through fraud or collusion.”.

10 (b) CONFORMING AMENDMENTS.—Paragraph (4) of
11 such section is amended—

12 (1) by striking “The first month” and all the
13 follows through “shall be” and inserting the fol-
14 lowing “When eligibility for benefits for a surviving
15 spouse is restored by reason of this subsection, the
16 first month of eligibility for such benefits shall be”;
17 and

18 (2) in subparagraph (A), by striking “described
19 in” and inserting “with a remarriage described in
20 subparagraph (B) or (C) of”.

21 (c) INCLUSION OF DEATH COMPENSATION AMONG
22 RESTORED BENEFITS.—Subparagraph (A) of paragraph
23 (5) of such section is amended to read as follows:

1 “(A) Sections 1121 and 1311, relating to death
2 compensation and dependency and indemnity com-
3 pensation, respectively.”.

4 (d) APPLICATION FOR BENEFITS.—In the case of an
5 individual who but for having remarried would be eligible
6 for dependency and indemnity compensation under section
7 1311 of title 38, United States Code, or death compensa-
8 tion under section 1121 of such title, and whose remar-
9 riage was before the date of the enactment of this Act
10 and after the individual had attained age 65, the indi-
11 vidual shall be eligible for such compensation by reason
12 of the amendments made by subsection (a) only if the indi-
13 vidual submits an application for such compensation to the
14 Secretary of Veterans Affairs not later than the end of
15 the one-year period beginning on the date of the enact-
16 ment of this Act.

17 (e) COORDINATION OF BENEFITS.—Section 1311 of
18 such title is amended by adding at the end the following
19 new subsection:

20 “(e) In the case of an individual who is eligible for
21 dependency and indemnity compensation under this sec-
22 tion by reason of section 103(d)(2)(A) of this title who
23 is also eligible for benefits under another provision of law
24 by reason of such individual’s status as the surviving
25 spouse of a veteran, then, notwithstanding any other pro-

1 vision of law, no reduction in benefits under such other
 2 provision of law shall be made by reason of such individ-
 3 ual’s eligibility for benefits under this section.”.

4 **SEC. 4. UNIFORM HOME LOAN GUARANTY FEES FOR QUALI-**
 5 **FYING MEMBERS OF THE SELECTED RE-**
 6 **SERVE AND ACTIVE DUTY VETERANS.**

7 (a) IN GENERAL.—Paragraph (2) of section 3729(b)
 8 of title 38, United States Code, is amended—

9 (1) by inserting “(A)” after “(2)”;

10 (2) by inserting “for any loan closed after Sep-
 11 tember 30, 2005” after “paragraph (1)”; and

12 (3) by adding at the end the following:

13 “(B) The loan fee table referred to in paragraph (1)
 14 for any loan closed during the period beginning on October
 15 1, 2002, and ending on September 30, 2005, is as follows:

“LOAN FEE TABLE

Type of loan	Veteran	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 before October 1, 2008)	2.00	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 October 1, 2008)	1.25	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 before October 1, 2008)	3.00	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 October 1, 2008)	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before October 1, 2008)	1.50	NA

“LOAN FEE TABLE—Continued

Type of loan	Veteran	Other obligor
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2008)	0.75	NA
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before October 1, 2008)	1.25	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2008)	0.50	NA
(E) Interest rate reduction refinancing loan	0.50	NA
(F) Direct loan under section 3711	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)	1.25	NA
(I) Loan assumption under section 3714	0.50	0.50
(J) Loan under section 3733(a)	2.25	2.25”.

1 (b) CONFORMING AMENDMENT.—Paragraph (4)(A)
2 of such section is amended by inserting before the period
3 at the end the following: “, and the term ‘veteran’ means
4 any veteran eligible for the benefits of this chapter”.

5 **SEC. 5. LIFE INSURANCE PROGRAMS.**

6 (a) INCREASE OF VETERANS’ MORTGAGE LIFE IN-
7 SURANCE COVERAGE TO \$150,000.—(1) Section 2106(b)
8 of title 38, United States Code, is amended by striking
9 “\$90,000” and inserting “\$150,000”.

10 (2) The amendment made by paragraph (1) shall
11 apply with respect to insurance payable under section
12 2106 of title 38, United States Code, in the case of a vet-
13 eran insured under that section who dies on or after the
14 date of enactment of this Act.

1 (b) AUTHORITY FOR VETERANS' MORTGAGE LIFE
2 INSURANCE TO BE CARRIED BEYOND AGE 70.—Section
3 2106 of such title is amended—

4 (1) in subsection (a), by inserting “age 69 or
5 younger” after “any eligible veteran”; and

6 (2) in subsection (i), by striking paragraph (2)
7 and redesignating paragraphs (3) and (4) as para-
8 graphs (2) and (3), respectively.

9 **SEC. 6. INCREASE IN AGGREGATE ANNUAL AMOUNT AVAIL-**
10 **ABLE FOR STATE APPROVING AGENCIES FOR**
11 **ADMINISTRATIVE EXPENSES FOR FISCAL**
12 **YEARS 2003, 2004, AND 2005.**

13 Section 3674(a)(4) of title 38, United States Code,
14 is amended by inserting before the period at the end of
15 the first sentence the following: “, and for each of fiscal
16 years 2003, 2004, and 2005, \$18,000,000”.

Passed the House of Representatives May 21, 2002.

Attest:

Clerk.