119TH CONGRESS
2D SESSION

S. _____

To amend title 38, United States Code, to establish a program for the provision of support services to borrowers using housing loan benefits administered by the Secretary of Veterans Affairs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. ALSOBROOKS (for herself and Mr. TILLIS) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend title 38, United States Code, to establish a program for the provision of support services to borrowers using housing loan benefits administered by the Secretary of Veterans Affairs, and for other purposes.

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 ''VA Home Loan Navigator Act''.

SEC. 2. BORROWER SUPPORT SERVICES FOR HOUSING LOANS GUARANTEED, INSURED, OR MADE BY THE SECRETARY OF VETERANS AFFAIRS.

(a) IN GENERAL.—Subchapter III of chapter 37 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 3738. Borrower support services for housing loans

''(a) IN GENERAL.—Not later than 180 days after the date of the enactment of the VA Home Loan Navigator Act, the Secretary shall establish and implement a program to provide support services authorized under subsection (d) to individuals eligible for the housing loan benefits of this chapter (in this section referred to as the 'Program').

''(b) DESIGNATION OF ENTITIES.—

''(1) ADMINISTRATION AND COORDINATION.—

''(A) DESIGNATION; FUNCTION.—The Secretary may designate an eligible entity to administer and coordinate the Program.

''(B) ELIGIBILITY.—To be eligible for designation under subparagraph (A), an entity shall be a nonprofit organization that—

''(i) has the capacity to carry out the activities described in such subparagraph; and

"(ii) has demonstrated expertise in serving veterans, members of the Armed Forces, and military families, including expertise relating to housing loans guaranteed, insured, or made under this chapter.

"(2) TRAINING AND CERTIFICATION.—

"(A) DESIGNATION; FUNCTION.—The Secretary may designate an eligible entity to develop, administer, and oversee the training, examination, certification, continuing education, re-certification, and performance standards described in subsection (c)(2).

"(B) ELIGIBILITY.—To be eligible for designation under subparagraph (A), an entity shall be a nonprofit organization that—

"(i) has the capacity to carry out the activities described in such subparagraph; and

"(ii) has demonstrated expertise as described in paragraph (1)(B)(ii).

"(3) SUPPORT SERVICES.—

"(A) DESIGNATION; FUNCTION.—The Secretary may designate one or more eligible entities to provide support services authorized under subsection (d).

''(B) ELIGIBILITY.—To be eligible for designation under subparagraph (A), an entity shall be a nonprofit organization that—

''(i) is approved to receive financial assistance to provide homeownership and rental counseling under section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x); and

''(ii) has demonstrated expertise as described in paragraph (1)(B)(ii).

''(4) MULTIPLE FUNCTIONS.—The Secretary may designate the same eligible entity to perform more than one function under this subsection if the entity satisfies the requirements applicable to each such function.

''(c) SPECIALTY CERTIFICATION.—

''(1) ESTABLISHMENT.—The Secretary shall establish a housing loan counseling specialty certification of the Department for individuals providing support services authorized under subsection (d).

''(2) STANDARDS.—The Secretary, in coordination with nonprofit organizations with appropriate subject-matter expertise, shall—

''(A) establish the training, examination, certification, continuing education, re-certifi-

cation, and performance standards for the specialty certification established under paragraph (1); or

''(B) approve such standards developed by the entity designated under subsection (b)(2).

''(d) SUPPORT SERVICES.—

''(1) IN GENERAL.—Any entity designated under subsection (b)(3) may provide services to support individuals eligible for the housing loan benefits of this chapter, including—

''(A) individualized housing and financial counseling regarding housing needs, financial management, housing stability, and the responsibilities of tenancy or homeownership;

''(B) education regarding housing loan benefits available under this chapter;

''(C) assistance obtaining or resolving issues relating to a certificate of eligibility;

''(D) counseling regarding housing loan origination, refinancing, and closing processes;

''(E) guidance regarding appraisal requirements, property standards, and loan documentation;

''(F) assistance navigating loan servicing matters;

"(G) counseling relating to loss mitigation options and foreclosure prevention;

"(H) coordination between borrowers, mortgage servicers, and the Department; and

"(I) education regarding borrower costs, fees, and financial obligations, including homebuyer broker commissions.

"(2) VOLUNTARY PARTICIPATION.—Participation in support services authorized under this subsection shall be voluntary, including for borrowers.

"(3) NO COST TO INDIVIDUALS ASSISTED.—Support services authorized under this subsection shall be provided at no cost to the individuals assisted, including borrowers.

"(e) IMPLEMENTATION BY DESIGNATED ENTITIES.—Any entity designated under subsection (b)—

"(1) shall—

"(A) fulfill counseling training requirements for housing loans guaranteed, insured, or made under this chapter, as determined by the Secretary for purposes of this section;

"(B) require each individual providing support services authorized under subsection (d)—

"(i) to be certified as a housing counselor by the Department of Housing and Urban Development; and

"(ii) to complete training for and maintain the housing loan specialty certification established under subsection (c); and

"(C) act solely as an independent, neutral intermediary to assist individuals; and

"(2) may not act as an agent of, or on behalf of, any mortgage lender, mortgage servicer, or other real estate professional.

"(f) CONTRACTS, GRANTS, AND OTHER ASSISTANCE.—

"(1) TRAINING AND CERTIFICATION.—The Secretary may enter into contracts with, make grants to, or otherwise provide assistance to an entity designated under subsection (b)(2) to develop, administer, and oversee the training, examination, certification, continuing education, re-certification, and performance activities of the entity, in accordance with the standards established or approved by the Secretary under subsection (c)(2).

"(2) SUPPORT SERVICES.—The Secretary may enter into contracts with, make grants to, or other-

wise provide assistance to an entity designated under subsection (b) to administer, coordinate, or support the provision of support services authorized under subsection (d), including with respect to outreach and education, technology, technical assistance, quality assurance, data and reporting support, and other Program-support activities necessary to carry out this section.

''(g) INDEPENDENCE AND CONFLICT-OF-INTEREST PROTECTIONS.—

''(1) IN GENERAL.—An entity designated under subsection (b), and any employee, officer, or contractor thereof, may not—

''(A) refer a borrower to any specific commercial provider in exchange for compensation or anything else of value; or

''(B) engage in any activity that compromises the independence of support services authorized under subsection (d).

''(2) DISCLOSURES.—Each entity designated under subsection (b) shall provide clear and timely disclosure to borrowers and to the Secretary of any actual or potential conflicts of interest, including any allowable affiliated business relationships.

''(3) PROCEDURES.—The Secretary shall establish procedures to ensure support services authorized under subsection (d) are provided in a manner that preserves individual choice, ensures full transparency, and complies with applicable Federal consumer protection laws.

''(h) COORDINATION WITH DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The Secretary may coordinate with the Secretary of Housing and Urban Development, as appropriate, to leverage existing housing counseling certification, training, funding, and other resources in carrying out this section, including resources available for specialized housing counselor training.

''(i) PROGRAM EVALUATION; REPORTS TO CONGRESS.—

''(1) REPORTS.—Not later than two years after the establishment of the Program, and every two years thereafter, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report evaluating the effectiveness of the Program.

''(2) EVALUATION.—In carrying out paragraph (1), the Secretary shall evaluate the Program based on—

"(A) the use of housing loan benefits;

"(B) foreclosure prevention outcomes;

"(C) loss mitigation completion rates;

"(D) redefault rates following loss mitigation; and

"(E) the cost-effectiveness of the services provided.

"(3) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REPORTING COORDINATION.—The Secretary—

"(A) may coordinate with the Secretary of Housing and Urban Development to develop and incorporate, as practicable, veteran- and Program-specific data elements and performance measures into existing housing counseling reporting systems for purposes of administering and evaluating the Program; and

"(B) shall, to the extent practicable, minimize duplicative reporting requirements for entities designated under subsection (b)(3).

"(j) ENFORCEMENT.—

"(1) SUSPENSION OR REVOCATION.—The Secretary may suspend or revoke any designation of an entity, housing loan specialty certification of an individual, grant agreement, contract, or other agree-

ment made under this section for a violation of a requirement established under this section.

''(2) REFERRAL TO INSPECTOR GENERAL.—The Secretary may refer any case of fraud, abuse, or unlawful activity related to this section to the Inspector General of the Department.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 37 of such title is amended by adding at the end the following new item:

''3738. Borrower support services for housing loans.''.