

117TH CONGRESS
1ST SESSION

H. R. 4657

To amend title 38, United States Code, to improve the accuracy of mortgage underwriting for home loans guaranteed by the Department of Veterans Affairs by ensuring that energy costs are included in the underwriting process, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2021

Mr. LEVIN of California introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve the accuracy of mortgage underwriting for home loans guaranteed by the Department of Veterans Affairs by ensuring that energy costs are included in the underwriting process, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veteran Home Energy
5 Savings Act”.

1 **SEC. 2. ENHANCED LOAN ELIGIBILITY REQUIREMENTS.**

2 (a) IN GENERAL.—Section 3710 of title 38, United
3 States Code, is amended—

4 (1) in subsection (g)(3)(C), by inserting “, in-
5 cluding with respect to the energy efficiency of the
6 home for which the loan is to be guaranteed as de-
7 scribed in subsection (i)” before the period; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(i)(1)(A) Following the date on which the Secretary
11 issues the guidance under paragraph (3), in cases where
12 a veteran provides to the Secretary an energy efficiency
13 report described in subparagraph (C) for a home for which
14 a loan is to be guaranteed, the procedures established pur-
15 suant to subsection (g)(3)(C) for ascertaining the monthly
16 income required by a veteran to meet anticipated loan pay-
17 ment terms shall take into consideration the estimated en-
18 ergy cost savings expected for the veteran for the home,
19 including such cost savings relating to the cost of elec-
20 tricity, natural gas, oil, and any other fuel regularly used
21 to supply energy to the home.

22 “(B) An energy efficiency report described in this
23 subparagraph, with respect to a home for which a loan
24 is to be guaranteed, means a report that—

1 “(i) estimates the expected energy cost savings
2 specific to the home, based on specific information
3 about the home;

4 “(ii) is prepared in accordance with regulations
5 prescribed by the Secretary for purposes of this sub-
6 section; and

7 “(iii) is prepared in accordance with—

8 “(I) the Residential Energy Service Net-
9 work’s Home Energy Rating System (commonly
10 known as ‘HERS’) by an individual certified by
11 such Network; or

12 “(II) other methods determined appro-
13 priate by the Secretary, in consultation with the
14 advisory committee under paragraph (2), in-
15 cluding with respect to third-party quality as-
16 surance procedures.

17 “(2)(A) To assist the Secretary in carrying out this
18 subsection, the Secretary shall establish an advisory group
19 consisting of individuals representing the interests of—

20 “(i) mortgage lenders;

21 “(ii) appraisers;

22 “(iii) energy raters and residential energy con-
23 sumption experts;

24 “(iv) energy efficiency organizations;

25 “(v) real estate agents;

1 “(vi) home builders and remodelers;
2 “(vii) consumer advocates;
3 “(viii) veterans’ service organizations; and
4 “(ix) other persons determined appropriate by
5 the Secretary.

6 “(B) The advisory group established under subpara-
7 graph (A) shall not be subject to the Federal Advisory
8 Committee Act (5 U.S.C. App.).

9 “(3) The Secretary, in consultation with the advisory
10 group established under paragraph (2)(A), shall ensure
11 that the procedures described in subsection (g)(3)(C) in-
12 clude guidance for lenders to carry out paragraph (1) that
13 uses clear instructions and standards.

14 “(4) The Secretary shall ensure that marketing mate-
15 rials that the Secretary provides to veterans with respect
16 to loans guaranteed under this chapter include informa-
17 tion regarding the use of energy efficiency reports under
18 this subsection.

19 “(5) Not later than one year after the date on which
20 the Secretary issues the guidance under paragraph (3),
21 and every year thereafter, the Secretary shall submit to
22 Congress and make publicly available a report that—

23 “(A) enumerates the number of loans guaran-
24 teed for which a veteran provided to the Secretary
25 an energy efficiency report, including the number of

1 such loans for which cost savings were taken into ac-
2 count pursuant to paragraph (1); and

3 “(B) of the number of loans enumerated under
4 subparagraph (A), an enumeration of the default
5 rates and rates of foreclosure, including how such
6 enumeration compares with the default rates and
7 rates of foreclosure for guaranteed loans for which
8 no energy efficiency report is provided.”.

9 (b) CLARIFICATION OF REQUIREMENTS REGARDING
10 ENERGY EFFICIENCY STANDARDS.—Section 3704(f) of
11 such title is amended by striking “such standards” and
12 inserting the following: “the standards established under
13 such section 109, as in effect on the date of such construc-
14 tion”.

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