

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4657
OFFERED BY MR. LEVIN OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Veteran Home Energy
3 Savings Act”.

4 SEC. 2. ENHANCED LOAN ELIGIBILITY REQUIREMENTS.

5 (a) IN GENERAL.—Section 3710 of title 38, United
6 States Code, is amended by adding at the end the fol-
7 lowing new subsection:

8 “(i)(1)(A) Following the date on which the Secretary
9 issues the guidance under paragraph (3)—

10 “(i) lenders may consult with veterans re-
11 garding whether obtaining an energy efficiency
12 report described in subparagraph (B) is in the
13 best interest of the veteran; and

14 “(ii) in cases where a veteran provides to
15 the lender an energy efficiency report described
16 in subparagraph (B)—

17 “(I) the evaluation by the lender of
18 the sufficiency of the residual income of

1 the veteran may include a consideration of
2 the estimate of the expected energy cost
3 savings contained in the report; and

4 “(II) the lender shall consult with the
5 veteran regarding whether such consider-
6 ation is in the best interest of the veteran.

7 “(B) An energy efficiency report described in this
8 subparagraph is a report that—

9 “(i) is made with respect to a home for which
10 a loan is to be guaranteed under subsection (a);

11 “(ii) estimates the expected energy cost savings
12 specific to the home, based on specific information
13 about the home, including savings relating to elec-
14 tricity or natural gas, oil, and any other fuel regu-
15 larly used to supply energy to the home;

16 “(iii) is prepared in accordance with regulations
17 prescribed by the Secretary for purposes of this sub-
18 section; and

19 “(iv) is prepared in accordance with—

20 “(I) the Residential Energy Service Net-
21 work’s Home Energy Rating System (commonly
22 know as ‘HERS’) by an individual certified by
23 such Network; or

24 “(II) other methods determined appro-
25 priate by the Secretary, in consultation with the

1 advisory committee under paragraph (2), in-
2 cluding with respect to third-party quality as-
3 surance procedures.

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

7 “(i) mortgage lenders;

8 “(ii) appraisers;

9 “(iii) energy raters and residential energy con-
10 sumption experts;

11 “(iv) energy efficiency organizations;

12 “(v) real estate agents;

13 “(vi) home builders and remodelers;

14 “(vii) consumer advocates;

15 “(viii) veterans’ service organizations; and

16 “(ix) other persons determined appropriate by
17 the Secretary.

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

21 “(3) The Secretary, in consultation with the advisory
22 group established under paragraph (2)(A), shall prescribe
23 regulations and issue guidance to assist lenders in evalu-
24 ating the sufficiency of the residual income of a veteran
25 pursuant to paragraph (1).

1 “(4) The Secretary shall ensure that marketing mate-
2 rials that the Secretary provides to veterans with respect
3 to loans guaranteed under this chapter include informa-
4 tion regarding the use of energy efficiency reports under
5 this subsection.

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

10 “(A) enumerates the number of loans guaran-
11 teed for which a veteran provided to the Secretary
12 an energy efficiency report, including the number of
13 such loans for which cost savings were taken into ac-
14 count pursuant to paragraph (1); and

15 “(B) of the number of loans enumerated under
16 subparagraph (A), an enumeration of the default
17 rates and rates of foreclosure, including how such
18 enumeration compares with the default rates and
19 rates of foreclosure for guaranteed loans for which
20 no energy efficiency report is provided.”.

21 (b) CLARIFICATION OF REQUIREMENTS REGARDING
22 ENERGY EFFICIENCY STANDARDS.—Section 3704(f) of
23 such title is amended by striking “such standards” and
24 inserting the following: “the standards established under

1 such section 109, as in effect on the date of such construc-
2 tion”.

Amend the title so as to read: “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 allowing energy costs to be considered in the underwriting process, and for other purposes.”.

