

107TH CONGRESS
2^D SESSION

H. R. 4042

To amend title 38, United States Code, to prohibit additional daily interest charges following prepayment in full of housing loans guaranteed by the Department of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2002

Mr. EVANS (for himself, Ms. CARSON of Indiana, Mr. TOM DAVIS of Virginia, and Mr. SIMPSON) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to prohibit additional daily interest charges following prepayment in full of housing loans guaranteed by the Department of Veterans Affairs.

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 Home Loan
5 Prepayment Protection Act of 2002”.

1 **SEC. 2. PROHIBITION OF ADDITIONAL DAILY INTEREST**
2 **CHARGES FOLLOWING PREPAYMENT IN FULL**
3 **OF HOUSING LOANS GUARANTEED BY THE**
4 **SECRETARY OF VETERANS AFFAIRS.**

5 (a) IN GENERAL.—Section 3703 of title 38, United
6 States Code, is amended by adding at the end the fol-
7 lowing new subsection:

8 “(g)(1) In the case of prepayment in full by a veteran
9 of a loan guaranteed under this chapter, such prepayment
10 shall be credited on the date of receipt of the prepayment
11 at the business location of a residential mortgage lender,
12 and no interest may be charged to the veteran with respect
13 to that loan thereafter.

14 “(2) For purposes of paragraph (1), in determining
15 the date of receipt of a prepayment, a prepayment received
16 on a calendar day during any business hour of a residen-
17 tial mortgage lender shall be treated as being received on
18 that day.

19 “(3) For purposes of this subsection, a business hour
20 of a residential mortgage lender includes any business
21 hour during which—

22 “(A) the lender offers any services to customers
23 or for the convenience of the public, and

24 “(B) any officer of the lender is present in an
25 official capacity.

1 “(4) An officer of a residential mortgage lender that
2 receives prepayment in full from a veteran of a loan guar-
3 anteed under this chapter during business hours shall, im-
4 mediately upon receipt of the prepayment, stamp or other-
5 wise record the date of receipt in the records of the lender.

6 “(5) Any cutoff hour established by a residential
7 mortgage lender for purposes of determining the date of
8 receipt of prepayment in full of a loan shall not apply to
9 prepayment in full by a veteran of a loan guaranteed
10 under this chapter.

11 “(6) The manner in which a prepayment may be re-
12 ceived by a residential mortgage lender shall include elec-
13 tronic transfer of funds.”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 subsection (a) shall apply to loans guaranteed by the Sec-
16 retary of Veterans Affairs on or after the date of the en-
17 actment of this Act.

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