

Calendar No. \_\_\_\_\_

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 805**

[Report No. 116-\_\_\_\_\_] ]

To amend title 38, United States Code, to improve the processing of veterans benefits by the Department of Veterans Affairs, to limit the authority of the Secretary of Veterans Affairs to recover overpayments made by the Department and other amounts owed by veterans to the United States, to improve the due process accorded veterans with respect to such recovery, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 14, 2019

Mr. TESTER (for himself, Mr. BOOZMAN, Mr. BROWN, Mr. BLUMENTHAL, Ms. STABENOW, Ms. HARRIS, Ms. WARREN, Mr. WYDEN, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

\_\_\_\_\_, (legislative day, \_\_\_\_\_), \_\_\_\_\_

Reported by Mr. MORAN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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**A BILL**

To amend title 38, United States Code, to improve the processing of veterans benefits by the Department of Veterans Affairs, to limit the authority of the Secretary of Veterans Affairs to recover overpayments made by the Department and other amounts owed by veterans to the United States, to improve the due process ac-

corded veterans with respect to such recovery, 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 Debt Fairness  
5 Act of 2019”.

6 **SEC. 2. IMPROVING PROCESSING OF VETERANS BENEFITS**

7                   **BY DEPARTMENT OF VETERANS AFFAIRS.**

8       (a) **NOTIFICATION OF DEBTS INCURRED.**—The Sec-  
9 retary of Veterans Affairs shall make such changes to such  
10 information technology systems of the Department of Vet-  
11 erans Affairs, including the eBenefits system or successor  
12 system, as may be necessary so that a person who is enti-  
13 tled to a payment from the Department by virtue of the  
14 person’s participation in a benefits program administered  
15 by the Secretary will receive, at the request of the person,  
16 a notice from the Department through means selected by  
17 the individual (by electronic mail or other mechanism)  
18 whenever such person incurs a debt to the United States  
19 by virtue of such participation.

20       (b) **UPDATING DEPENDENT INFORMATION.**—The  
21 Secretary shall make such changes to such information  
22 technology systems of the Department, including the  
23 eBenefits system or successor system, as may be necessary  
24 so that whenever the Secretary records in such systems

1 information about a dependent of a person, the person is  
2 able to review and revise such information.

3 ~~(c) TRACKING OF METRICS.~~—The Secretary shall  
4 make such changes to such information technology sys-  
5 tems of the Department as may be necessary to track the  
6 following:

7 (1) The number and amount of payments made  
8 by the Department to persons as part of a benefits  
9 program administered by the Secretary which result  
10 in the persons incurring a debt to the United States  
11 by virtue of such payments.

12 (2) The average debt to the United States in-  
13 curred by a person by virtue of a payment described  
14 in paragraph (1).

15 (3) The frequency by which applications for re-  
16 lief under section 5302(a) of title 38, United States  
17 Code, are approved and denied.

18 (4) Such other metrics as the Secretary con-  
19 siders appropriate.

20 **SEC. 3. REFORMS RELATING TO RECOVERY BY DEPART-**  
21 **MENT OF VETERANS AFFAIRS OF AMOUNTS**  
22 **OWED BY VETERANS TO THE UNITED STATES.**

23 ~~(a) INDEBTEDNESS OFFSETS.~~—

1           (1) LIMITATION ON SCOPE OF AUTHORITY.—

2           Subsection (a) of section 5314 of title 38, United  
3           States Code, is amended—

4                   (A) by inserting “(1)” before “Subject to”;

5                   (B) in paragraph (1), as designated by  
6                   subparagraph (A), by striking “to subsections  
7                   (b) and (d) of this section” and inserting “to  
8                   paragraphs (2) through (6) of this subsection,  
9                   subsections (b) and (e) of this section,”; and

10                   (C) by adding at the end the following new  
11           paragraph:

12           “(2) Notwithstanding any other provision of law, the  
13           Secretary may only deduct under paragraph (1) an  
14           amount of the indebtedness of a veteran, the estate of a  
15           veteran, a spouse or child of a veteran who is deceased,  
16           or a recipient of educational assistance under chapter 30,  
17           31, 32, 33, 34, or 35 of this title if the indebtedness is  
18           a result of one or more of the following:

19                   “(A) An error made by or failure to report re-  
20                   quired information to the Department by the vet-  
21                   eran, estate, spouse, child, or recipient of edu-  
22                   cational assistance, as the case may be.

23                   “(B) Fraud perpetrated by the veteran, estate,  
24                   spouse, child, or recipient of educational assistance,  
25                   as the case may be.

1           “(C) A misrepresentation made by the veteran,  
2           estate, spouse, child, or recipient of educational as-  
3           sistance, as the case may be.

4           “(D) In the case of a recipient of educational  
5           assistance under such chapters, a reduction in or  
6           termination of pursuit of a program of education by  
7           the recipient.

8           “(E) A failure described in section  
9           3319(i)(2)(A) of this title.

10          “(3)(A) The Secretary may not deduct under para-  
11 graph (1) from any payment made under chapter 11 or  
12 15 of this title more than the lesser of—

13           “(i) 25 percent of such payment; or

14           “(ii) such other percent of such payment as the  
15           Secretary and the person whose future payments are  
16           to be reduced under paragraph (1) agree would not  
17           cause a hardship to the person of the payment.

18          “(B) A person whose future payments are to be re-  
19 duced under paragraph (1) may request, via the adminis-  
20 trative process prescribed under subsection (e), the Sec-  
21 retary make a determination under subparagraph (A)(ii)  
22 of this paragraph.

23          “(4) In the case of an indebtedness that was incurred  
24 as a result of an error or failure described in paragraph  
25 (2)(A), the Secretary may not deduct under paragraph (1)

1 any amount relating to such indebtedness after the date  
2 that is five years after the date on which the debt was  
3 incurred.

4       “(5) The Secretary may not deduct under paragraph  
5 (1) any amount relating to an indebtedness while the ex-  
6 istence or amount of such indebtedness is being—

7               “(A) disputed under subsection (c); or

8               “(B) appealed.

9       “(6) The Secretary may not deduct under paragraph  
10 (1) any amount if the Secretary determines that the cost  
11 that would be incurred by the Department to recover such  
12 amount would exceed the amount to be recovered.

13       “(7) Paragraphs (2) through (6) shall not apply to  
14 payments under chapter 19 of this title.”.

15       (2) DUE PROCESS.—

16               (A) MINIMUM PERIOD FOR NOTICE.—Sub-  
17 section (b) of such section is amended—

18                       (i) by amending paragraph (1) to read

19                       as follows:

20               “(1) has made reasonable efforts to notify such  
21 person of such person’s right—

22                       “(A) to dispute through prescribed admin-  
23 istrative processes the existence or amount of  
24 such indebtedness;

1           ~~“(B) to request a waiver of such indebted-~~  
2           ~~ness under section 5302 of this title; and~~

3           ~~“(C) to request the Secretary make a de-~~  
4           ~~termination under subsection (a)(3)(A)(ii);”;~~  
5           ~~and~~

6                     (ii) by striking paragraph (3) and in-  
7                     serting the following new paragraphs:

8           ~~“(3) has notified such person about the pro-~~  
9           ~~posed deductions by mailing a notice of intent letter,~~  
10          ~~which—~~

11                   ~~“(A) is mailed to the person—~~

12                             ~~“(i) in the case of a debt incurred by~~  
13                             ~~a person by virtue of the person’s partici-~~  
14                             ~~pation in a program of educational assist-~~  
15                             ~~ance administered by the Secretary, not~~  
16                             ~~later than 45 days before making any of~~  
17                             ~~such deductions; and~~

18                             ~~“(ii) in the case of a debt incurred by~~  
19                             ~~a person by virtue of the person’s partici-~~  
20                             ~~pation in any other benefit program ad-~~  
21                             ~~ministered by the Secretary, not later than~~  
22                             ~~90 days before making any of such deduc-~~  
23                             ~~tions; and~~

24                             ~~“(B) includes detailed information about~~  
25           ~~the indebtedness, including, in the case of an~~

1           overpayment, an itemized list of each overpay-  
2           ment and the specific reason for the overpay-  
3           ment.”.

4           ~~(B)~~ ADJUDICATION OF DISPUTES.—

5           (i) IN GENERAL.—Such section is  
6           amended—

7                   (I) by redesignating subsections  
8                   (e) and (d) as subsections (d) and (e);  
9                   and

10                   (II) by inserting after subsection  
11                   (b) the following new subsection (e):

12           “(e)(1) The Secretary shall prescribe an administra-  
13           tive process for—

14                   “(A) the dispute of the existence or amount of  
15                   an indebtedness subject to subsection (a); and

16                   “(B) making requests under paragraph (3)(B)  
17                   of such subsection.

18           “(2) The Secretary shall ensure that each dispute  
19           under paragraph (1)(A) is adjudicated not later than 120  
20           days after the dispute is filed.

21           “(3) The Secretary may not submit to any debt col-  
22           lector (as defined in section 803 of the Fair Debt Collec-  
23           tion Practices Act (15 U.S.C. 1692a)) any debt pending  
24           adjudication under the process prescribed under para-  
25           graph (1).

1       “(4) Nothing in this subsection shall be construed to  
2 prohibit a person from seeking relief from a court of com-  
3 petent jurisdiction.”.

4                   (ii) LIMITATIONS ON INTEREST AND  
5 FEES CHARGED DURING PERIOD OF DIS-  
6 PUTE.—Section 5315 of such title is  
7 amended—

8                   (I) in subsection (b)(1), in the  
9 first sentence by striking “or (B)”  
10 and inserting “(B) for any period dur-  
11 ing which the existence or amount of  
12 the indebtedness is being disputed  
13 under section 5314(e) of this title, or  
14 (C)”;

15                   (II) in subsection (e)—

16                   (aa) by inserting “(1)” be-  
17 fore “The administrative”;

18                   (bb) by adding at the end  
19 the following new paragraph:

20       “(2) No administrative costs may be charged under  
21 this section with respect to an indebtedness described in  
22 subsection (a) while the existence or amount of the indebt-  
23 edness is being disputed under section 5314(e) of this  
24 title.”.

1           (3) ~~EFFECTIVE DATE.~~—This subsection and the  
2           amendments made by this subsection shall take ef-  
3           fect on the date of the enactment of this Act and  
4           shall apply with respect to deductions made under  
5           section 5314 of such title on or after such date.

6           (4) ~~RULE OF CONSTRUCTION.~~—This subsection  
7           and the amendments made by this subsection shall  
8           be construed to apply to an error in a payment to  
9           a person from the Department of Veterans Affairs  
10          the person is entitled to by virtue of the person's  
11          participation in a benefits program administered by  
12          the Secretary of Veterans Affairs following the per-  
13          son's notice to the Department of a change in the  
14          person's eligibility regarding such benefit or partici-  
15          pation.

16          (b) ~~LIMITATION ON AUTHORITY TO SUE TO COL-~~  
17 ~~LECT CERTAIN DEBTS.~~—

18           (1) ~~IN GENERAL.~~—Section 5316(a) of such title  
19           is amended—

20                   (A) in paragraph (1), by striking “(2) and  
21                   (3)” and inserting “(2), (3), and (4)”;

22                   (B) by redesignating paragraph (3) as  
23                   paragraph (4); and

24                   (C) by inserting after paragraph (2) the  
25                   following new paragraph (3):

1       “(3) In the case of an indebtedness that was incurred  
2 as a result of an error or failure described in section  
3 5314(a)(2)(A) of this title, no suit may be filed under this  
4 section to recover the indebtedness after the date that is  
5 five years after the date on which the debt was incurred.”.

6           (2) EFFECTIVE DATE.—This subsection and the  
7 amendments made by this subsection shall take ef-  
8 fect on the date of the enactment of this Act and  
9 shall apply with respect to suits filed under section  
10 5316 of such title on or after such date.

11       (e) LIMITATION ON COOPERATION WITH OTHER  
12 FEDERAL AGENCIES TO COLLECT.—Section 5316 of such  
13 title is amended by adding at the end the following new  
14 subsection:

15       “(d) The Secretary may not provide any information  
16 or assistance to any other element of the Federal Govern-  
17 ment to recover, whether by bringing suit in a court of  
18 competent jurisdiction, by deducting amounts from future  
19 payments, or by other method, any indebtedness of any  
20 person who has been determined to be indebted to the  
21 United States by virtue of such person’s participation in  
22 a benefits program administered by the Secretary if the  
23 Secretary does not have the authority to recover such in-  
24 debtedness under this title.”.

25       (d) REPAIR OF CREDIT.—

1           (1) IN GENERAL.—Chapter 53 of such title is  
2           amended by adding at the end the following new sec-  
3           tion:

4   **“§ 5320. Correction of erroneous information sub-**  
5                                   **mitted to consumer reporting agencies**

6           “(a) CORRECTING ERRORS BY THE DEPARTMENT.—

7   In any case in which the Secretary finds that the Depart-  
8   ment has submitted erroneous information to a consumer  
9   reporting agency about the indebtedness of any person  
10  who has been determined by the Secretary to be indebted  
11  to the United States by virtue of such person’s participa-  
12  tion in a benefits program administered by the Secretary,  
13  the Secretary shall—

14           “(1) instruct the consumer reporting agency to  
15           remove such erroneous information from the con-  
16           sumer report of such person or take such other ac-  
17           tion as may be required to ensure that such erro-  
18           neous information is not included in the report of  
19           such person; and

20           “(2) transmit to the consumer reporting agency  
21           such information as the consumer reporting agency  
22           may require to take such appropriate actions:

23           “(b) CORRECTING ERRORS BY DEBT COLLECTORS.—

24   In any case in which the Secretary finds that a debt col-  
25   lector acting on behalf of the Department has submitted

1 erroneous information to a consumer reporting agency  
2 about the indebtedness of any person who has been deter-  
3 mined by the Secretary to be indebted to the United States  
4 by virtue of such person's participation in a benefits pro-  
5 gram administered by the Secretary, the Secretary shall  
6 instruct the debt collector to request the consumer report-  
7 ing agency remove such erroneous information from the  
8 consumer report of such person or take such other action  
9 as may be required to ensure such erroneous information  
10 is not included in the report of such person."

11       “(e) NOTICE.—Not later than 60 days after the date  
12 on which the Secretary issues an instruction under sub-  
13 section (a)(1) or (b) with respect to a person, the Sec-  
14 retary shall notify the person that the Secretary issued  
15 such instruction.

16       “(d) DEFINITIONS.—In this section:

17               “(1) The terms ‘consumer report’ and ‘con-  
18 sumer reporting agency’ have the meanings given  
19 such terms in section 603 of the Fair Credit Report-  
20 ing Act (15 U.S.C. 1681a).

21               “(2) The term ‘debt collector’ has the meaning  
22 given such term in section 803 of the Fair Debt Col-  
23 lection Practices Act (15 U.S.C. 1692a).”.

24               “(2) CLERICAL AMENDMENT.—The table of sec-  
25 tions at the beginning of chapter 53 of such title is

1 amended by adding at the end the following new  
2 item:

“5320. Correction of erroneous information submitted to consumer reporting agencies.”.

3 (e) AUDITS.—

4 (1) ONE-TIME AUDIT.—Not later than 180 days  
5 after the date of the enactment of this Act, the Sec-  
6 retary of Veterans Affairs shall complete an audit to  
7 determine the following:

8 (A) The frequency by which the Depart-  
9 ment of Veterans Affairs makes an error that  
10 results in a payment to a person by virtue of  
11 such person’s participation in a benefits pro-  
12 gram administered by the Secretary that such  
13 person is not entitled to or in an amount that  
14 exceeds the amount to which the person is enti-  
15 tled.

16 (B) Whether and to what degree vacant  
17 positions in the Veterans Benefits Administra-  
18 tion affect such errors.

19 (2) ANNUAL AUDITS.—Section 5314 of such  
20 title, as amended by subsection (a), is further  
21 amended by adding at the end the following new  
22 subsection:

23 “(f) Not less frequently than once each year, the Sec-  
24 retary shall complete an audit of not less than 10 percent

1 of all debts to the United States incurred by virtue of a  
2 person's participation in a benefits program administered  
3 by the Secretary to identify errors.”.

4 (f) PLAN.—Not later than 180 days after the date  
5 of the enactment of this Act, the Secretary shall submit  
6 to the Committee on Veterans' Affairs of the Senate and  
7 the Committee on Veterans' Affairs of the House of Rep-  
8 resentatives a plan and description of resource require-  
9 ments necessary to align information technology systems  
10 to ensure that errors described in subsection (d)(1) are  
11 not the result of communication or absence of communica-  
12 tion between information technology systems.

13 (g) COORDINATION WITH OTHER FEDERAL AGEN-  
14 CIES.—

15 (1) INTERAGENCY WORKING GROUP.—The Sec-  
16 retary of Veterans Affairs may establish an inter-  
17 agency working to assess how executive agencies  
18 should submit timely information to the Secretary of  
19 Veterans Affairs in order to reduce overpayments to  
20 veterans in the event of a life event, such as a  
21 change in work status, incarceration, or change in  
22 marital status.

23 (2) QUARTERLY REPORTING BY SECRETARY OF  
24 DEFENSE TO SECRETARY OF VETERANS AFFAIRS.—

25 Each quarter, the Secretary of Defense shall trans-

1 mit to the Secretary of Veterans Affairs information  
2 on compensation received by members of the reserve  
3 components of the Armed Forces who received dur-  
4 ing such quarter for instruction, training, or other  
5 duties under section 206 of title 37, United States  
6 Code.

7 **SECTION 1. SHORT TITLE.**

8 *This Act may be cited as the “Stopping Harm and*  
9 *Implementing Enhanced Lead-time for Debts for Veterans*  
10 *Act of 2020” or the “SHIELD for Veterans Act of 2020”.*

11 **SEC. 2. PROHIBITION OF DEBT ARISING FROM OVERPAY-**  
12 **MENT DUE TO DELAY IN PROCESSING BY THE**  
13 **DEPARTMENT OF VETERANS AFFAIRS.**

14 *(a) BAR TO RECOVERY.—*

15 *(1) IN GENERAL.—Chapter 53 of title 38, United*  
16 *States Code, is amended by inserting after section*  
17 *5302A the following new section:*

18 **“§ 5302B. Prohibition of debt arising from overpay-**  
19 **ment due to delay in processing**

20 *“(a) LIMITATION.—No individual may incur a debt*  
21 *to the United States that—*

22 *“(1) arises from any program or benefit admin-*  
23 *istered by the Secretary; and*

24 *“(2) is attributable to the failure of an employee*  
25 *or official of the Department to process information*

1       *provided by or on behalf of that individual within*  
2       *applicable timeliness standards established by the*  
3       *Secretary.*

4       “(b) *NOTICE TO BENEFICIARY.*—(1) *If the Secretary*  
5       *determines that the Secretary has made an overpayment to*  
6       *an individual, the Secretary shall provide notice to the in-*  
7       *dividual of the overpayment.*

8       “(2) *Notice under paragraph (1) shall include a de-*  
9       *tailed explanation of the right of the individual—*

10               “(A) *to dispute the overpayment, including a de-*  
11               *tailed explanation of the process by which to dispute*  
12               *the overpayment; or*

13               “(B) *to request a waiver of indebtedness.*

14       “(c) *DELAY ON COLLECTION.*—*The Secretary may not*  
15       *take any action under section 3711 of title 31 regarding*  
16       *an overpayment described in a notice under subsection (b)*  
17       *until the date that is 90 days after the date the Secretary*  
18       *issues such notice.”.*

19               (2) *CLERICAL AMENDMENT.*—*The table of sec-*  
20       *tions at the beginning of such chapter is amended by*  
21       *inserting after the item relating to section 5302A the*  
22       *following new item:*

      “5302B. *Prohibition of debt arising from overpayment due to delay in proc-*  
          *essing.*”.

23               (3) *DEADLINE.*—*The Secretary of Veterans Af-*  
24       *fairs shall prescribe regulations to establish standards*

1        *under section 5302B(a)(2) of such title, as added by*  
2        *subsection (a), not later than 180 days after the date*  
3        *of the enactment of this Act.*

4        *(b) PLAN FOR IMPROVED NOTIFICATION AND COMMU-*  
5        *NICATION OF DEBTS.—*

6                *(1) IN GENERAL.—Not later than 180 days after*  
7        *the date of the enactment of this Act, and one year*  
8        *thereafter, the Secretary of Veterans Affairs shall sub-*  
9        *mit to Congress a report on the improvement of the*  
10        *notification of and communication with individuals*  
11        *who receive overpayments made by the Secretary.*

12                *(2) CONTENTS.—Each report under paragraph*  
13        *(1) shall include each of the following:*

14                        *(A) The plan of the Secretary to carry out*  
15        *each of the following:*

16                                *(i) The development and implementa-*  
17        *tion of a mechanism by which individuals*  
18        *enrolled in the patient enrollment system*  
19        *under section 1705 of title 38, United States*  
20        *Code, may view their monthly patient med-*  
21        *ical statements electronically.*

22                                *(ii) The development and implementa-*  
23        *tion of a mechanism by which individuals*  
24        *eligible for benefits under the laws adminis-*  
25        *tered by the Secretary may receive elec-*

1            *tronic correspondence relating to debt and*  
2            *overpayment information.*

3            *(iii) The development and implementa-*  
4            *tion, by not later than October 1, 2022, of*  
5            *a mechanism by which individuals eligible*  
6            *for benefits under the laws administered by*  
7            *the Secretary may access information re-*  
8            *lated to Department of Veterans Affairs debt*  
9            *electronically.*

10           *(iv) The improvement and clarification*  
11           *of Department communications relating to*  
12           *overpayments and debt collection, including*  
13           *letters and electronic correspondence and in-*  
14           *cluding information relating to the most*  
15           *common reasons veterans incur debts to the*  
16           *United States. The Secretary shall develop*  
17           *such improvements and clarifications in*  
18           *consultation with veterans service organiza-*  
19           *tions and other relevant nongovernmental*  
20           *organizations.*

21           *(v) The development and implementa-*  
22           *tion, by not later than October 1, 2022, of*  
23           *a mechanism by which veterans may update*  
24           *their dependency information electronically.*

1           (B) A description of the current efforts and  
2 plans for improving the accuracy of payments to  
3 individuals entitled to benefits under the laws  
4 administered by the Secretary, including specific  
5 data matching agreements.

6           (C) A description of steps to be taken to im-  
7 prove the identification of underpayments to  
8 such individuals and to improve Department  
9 procedures and policies to ensure that such indi-  
10 viduals who are underpaid receive adequate com-  
11 pensation payments.

12           (D) A list of actions completed, implemen-  
13 tation steps, and timetables for each requirement  
14 described in subparagraphs (A) through (C).

15           (E) A description of any new legislative au-  
16 thority required to complete any such require-  
17 ment.

18 **SEC. 3. PROHIBITION ON DEPARTMENT OF VETERANS AF-**  
19 **FAIRS INTEREST AND ADMINISTRATIVE COST**  
20 **CHARGES FOR DEBTS RELATING TO CERTAIN**  
21 **BENEFITS PROGRAMS.**

22           (a) *IN GENERAL.*—Section 5315(a)(1) of title 38,  
23 *United States Code, is amended—*

1           (1) by striking “other than a loan” and all that  
2 follows through the semicolon and inserting “other  
3 than—”; and

4           (2) by adding at the end the following new sub-  
5 paragraphs:

6                   “(A) a loan, loan-guaranty, or loan-insur-  
7 ance program;

8                   “(B) a disability compensation program;

9                   “(C) a pension program; or

10                   “(D) an educational assistance program.”.

11           (b) *EFFECTIVE DATE.*—The amendments made by sub-  
12 section (a) shall apply with respect to an indebtedness that  
13 occurs on or after the date of the enactment of this Act.

14 **SEC. 4. THRESHOLD FOR REPORTING DEBTS TO CONSUMER**  
15 **REPORTING AGENCIES.**

16           (a) *IN GENERAL.*—Chapter 53 of title 38, United  
17 States Code, is amended by adding after section 5319 the  
18 following new section:

19 **“§ 5320. Threshold for reporting debts to consumer re-**  
20 **porting agencies**

21           “The Secretary shall prescribe regulations that estab-  
22 lish the minimum amount of a claim or debt, arising from  
23 a benefit administered by the Under Secretary for Benefits  
24 or Under Secretary for Health, that the Secretary will re-

1 port to a consumer reporting agency under section 3711  
2 of title 31.”.

3 (b) *CLERICAL AMENDMENT.*—*The table of sections at*  
4 *the beginning of such chapter is amended by adding after*  
5 *the item relating to section 5319 the following new item:*  
*“5320.Threshold for reporting debts to consumer reporting agencies.”.*

6 (c) *DEADLINE.*—*The Secretary of Veterans Affairs*  
7 *shall prescribe regulations under section 5320 of such title,*  
8 *as added by subsection (a), not later than 180 days after*  
9 *the date of the enactment of this Act.*

10 **SEC. 5. EXTENSION OF WINDOW TO REQUEST RELIEF FROM**  
11 **RECOVERY OF DEBT ARISING UNDER LAWS**  
12 **ADMINISTERED BY THE SECRETARY OF VET-**  
13 **ERANS AFFAIRS.**

14 *Section 5302(a) of title 38, United States Code, is*  
15 *amended by striking “180 days” and inserting “one year”.*

16 **SEC. 6. REFORMS RELATING TO RECOVERY BY DEPART-**  
17 **MENT OF VETERANS AFFAIRS OF AMOUNTS**  
18 **OWED BY VETERANS TO THE UNITED STATES.**

19 (a) *ADMINISTRATIVE PROCESS FOR DISPUTE OF EX-*  
20 *ISTENCE OR AMOUNT OF INDEBTEDNESS.*—

21 (1) *IN GENERAL.*—*Section 5314 of title 38,*  
22 *United States Code, is amended—*

23 (A) *by redesignating subsections (c) and (d)*  
24 *as subsections (d) and (e); and*

1                   (B) by inserting after subsection (b) the fol-  
2                   lowing new subsection (c):

3           “(c)(1) The Secretary shall prescribe an administra-  
4           tive process for the dispute of the existence or amount of  
5           an indebtedness subject to subsection (a).

6           “(2) The Secretary shall ensure that each dispute  
7           under paragraph (1) is adjudicated not later than 120 days  
8           after the dispute is filed.

9           “(3) The Secretary may not submit to any debt col-  
10          lector (as defined in section 803 of the Fair Debt Collection  
11          Practices Act (15 U.S.C. 1692a)) any debt pending adju-  
12          dication under the process prescribed under paragraph (1).

13          “(4) Notwithstanding any other provision of law, the  
14          Secretary may not deduct under subsection (a) any amount  
15          relating to an indebtedness while the existence or amount  
16          of such indebtedness is being—

17                 “(A) disputed under paragraph (1) of this sub-  
18          section; or

19                 “(B) appealed.

20          “(5) Nothing in this subsection shall be construed to  
21          prohibit a person from seeking relief from a court of com-  
22          petent jurisdiction.

23          “(6) Nothing in this subsection shall be construed to  
24          affect a dispute regarding a decision on a claim that is  
25          subject to section 5104C(a)(1) of this title.”.



1                   (iii) how the documentation is to be  
2                   submitted.

3           (b) *MINIMUM THRESHOLDS FOR AMOUNTS TO BE RE-*  
4 *COVERED.*—Subsection (a) of such section is amended—

5                   (1) by inserting “(1)” before “Subject to”; and

6                   (2) by adding at the end the following new para-  
7           graph:

8           “(2) The Secretary may not deduct under paragraph  
9 (1) any amount if the Secretary determines that the cost  
10 that would be incurred by the Department to recover such  
11 amount would exceed the amount to be recovered.”.

12           (c) *CONFORMING AMENDMENT.*—Subsection (a)(1), as  
13 designated by subsection (b)(1), is amended by striking “to  
14 subsections (b) and (d) of this section” and inserting “to  
15 paragraph (2) of this subsection, subsections (b), (c), and  
16 (e) of this section,”.

17 **SEC. 7. REMOVAL OF DEPENDENTS FROM AWARD OF COM-**  
18 **PENSATION OR PENSION.**

19           The Secretary of Veterans Affairs shall ensure that—

20                   (1) a veteran may remove any dependent from  
21           an award of compensation or pension to the veteran  
22           using the eBenefits system of the Department of Vet-  
23           erans Affairs, or a successor system; and

1           (2) *such removal takes effect not later than 60*  
2           *days after the date on which the veteran makes such*  
3           *removal.*