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BILL TO EXCLUDE FROM CONSIDERATION AS INCOME UNDER THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT OF 1996 AMOUNTS RECEIVED BY A FAMILY FROM THE DEPARTMENT OF VETERANS AFFAIRS FOR SERVICE-RELATED DISABILITIES OF A MEMBER OF THE FAMILY

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SEPTEMBER 22, 2010.—Ordered to be printed

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Mr. DORGAN, from the Committee on Indian Affairs,  
submitted the following

### R E P O R T

[To accompany H.R. 3553]

The Committee on Indian Affairs, to which was referred the bill (H.R. 3553) to exclude from consideration as income under the Native American Housing Assistance and Self-Determination Act of 1996 amounts received by a family from the Department of Veterans Affairs for service-related disabilities of a member of the family, reports favorably thereon, without amendment, and recommends that the bill do pass.

#### PURPOSE

The purpose of H.R. 3553 is to exclude from consideration as income under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) amounts received by a family from the Department of Veterans Affairs for service-related disabilities of a member of the family and survivor benefits.

#### BACKGROUND

The NAHASDA reformed the system of housing assistance provided to Native Americans through the Department of Housing and Urban Development by eliminating several separate programs and replacing them with a single Indian housing block grant program. The two programs authorized for Indian tribes under NAHASDA are the Indian Housing Block Grant (IHBG) program, which is a formula-based grant program, and the Title VI Loan Guarantee which provides loan guarantees to Indian tribes for private market loans to develop affordable housing. Under the IHBG, income that

is not specifically listed in the law as exempt is taken into account for eligibility requirements under the NAHASDA.

The NAHASDA limits housing assistance to families making below 80% of area median income. Tribal poverty rates are historically high.<sup>1</sup> For example, according to the U.S. Census, 80% of the median household income for the Navajo Nation in 2000 was just \$16,906<sup>2</sup>; accordingly, anything over this amount would disqualify a Navajo tribal member from receiving NAHASDA funded housing assistance. With such a low household median income threshold, a fairly modest amount of additional income will disqualify a tribal member from eligibility. According to the Fiscal Year 2009 Department of Veteran Affairs (VA) budget, the average compensation for a disabled veteran was \$11,521.

Veterans Affairs disability payments are based on the injury received. Therefore the greater the degree of injury the higher amount of compensation a veteran is likely to receive, making a disabled Indian veteran less likely to meet the eligibility requirements for NAHASDA housing assistance. The VA has a direct home loan program, however many Indian veterans cannot qualify for the loan income eligibility and credit requirements due to their low income. This bill helps to address the eligibility gap between the VA direct home loan program and the NAHASDA eligibility requirements.

It was not the intent of NAHASDA to disqualify Native American veterans from housing assistance because of their service-related disability. It is important to note that veterans' disability compensation is exempt from taxation under federal tax law. The intention of H.R. 3553 is to fix an unintended consequence of the NAHASDA funding formula, which may deny eligibility for housing assistance to Native veterans.

#### LEGISLATIVE HISTORY

H.R. 3553 was introduced on September 19, 2009, by Congresswoman Ann Kirkpatrick (D-AZ), and was referred to the House Committee on Natural Resources. On April 20, 2010, the House considered H.R. 3553 under motion to suspend the rules and pass the bill by voice vote. On April 21, 2010, H.R. 3553 was received in the Senate and referred to the Senate Committee on Indian Affairs. On June 30, 2010, the Committee held an open business meeting and approved H.R. 3533 by unanimous voice vote without amendment. A companion bill, S. 3246, was introduced by Senator Ron Wyden on April 22, 2010, and referred to the Committee on Indian Affairs.

#### SECTION-BY-SECTION OF H.R. 3553

*Section 1. Short title.* This section states that the Act may be cited as the "Indian Veterans Housing Opportunity Act of 2010."

*Section 2. Exclusion from income.* This section excludes from consideration as income from NAHASDA; disability, dependency and

<sup>1</sup>U.S. Census Bureau, 2006 American Community Survey. S0201. Selected Population Profile in the United States, Population Group: American Indian and Alaska Native alone. The poverty rate of people who reported they were American Indian and Alaska Native and no other race was 27%.

<sup>2</sup>U.S. Bureau of the Census, Census 2000. Demographic Profiles of 2000. Table DP-3. Profile of Selected Economic Characteristics: 2000.

indemnity compensation under chapter 11 of title 38, United States Code.

#### COMMITTEE RECOMMENDATION AND TABULATION OF VOTE

In an open business session on June 30, 2010 the Committee on Indian Affairs, by voice vote, adopted H.R. 3553, without amendment, and ordered the bill reported to the Senate, with the recommendation that the Senate do pass H.R. 3553.

#### COST AND BUDGETARY CONSIDERATION

The following cost estimate, as provided by the Congressional Budget Office, dated July 23, 2010, was prepared for H.R. 3553:

##### *H.R. 3553—Indian Veterans Housing Opportunity Act of 2010*

H.R. 3553 would modify the definition of income under the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104–330). CBO estimates that implementing the legislation would have no impact on the federal budget. Enacting H.R. 3553 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

Under Public Law 104–330, entities, such as tribal housing authorities, that receive certain federal subsidies to provide housing to low-income Indians cannot charge rents that exceed 30 percent of a family's income. Under the bill, amounts received by Indian veterans for disabilities resulting from military service would not be included in calculating family income. Thus, enacting the bill could reduce the amount of rent that certain low-income families would pay for federally subsidized housing. Because rents are paid directly to the entities that receive federal subsidies to provide low-income housing, CBO estimates that implementing H.R. 3553 would not affect the federal budget.

H.R. 3553 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

#### EXECUTIVE COMMUNICATIONS

The Committee has received no Executive communications regarding H.R. 3553.

#### REGULATORY AND PAPERWORK IMPACT STATEMENT

Paragraph 11(b) of XXVI of the Standing Rules of the Senate requires that each report accompanying a bill evaluate the regulatory paperwork impact that would be incurred in carrying out the bill. The Committee believes that S. 3553 will have de minimis regulatory or paperwork impact.

#### CHANGES IN EXISTING LAW

In compliance with subsection 12 of rule XXXVI of the Standing Rules of the Senate, the Committee notes the following changes in

existing law (existing law proposed to be omitted is enclosed in black brackets, new matter printed in italic):

**25 U.S.C. 4103(9)**

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(9) INCOME.—The term “income” means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary, except that the following amounts may not be considered as income under this paragraph:

(A) Any amounts not actually received by the family.

(B) Any amounts that would be eligible for exclusion under section 1382(a)(7) of Title 42.

(C) *Any amounts received by any member of the family as disability compensation under chapter 11 of title 38, Unites States Code, or dependency and indemnity compensation under chapter 13 of such title.*

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