

CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 1836, Guard and Reserve GI Bill Parity Act of 2021, as Posted to the Website of the House Committee on Rules, dated December 29, 2021, at 2:44 p.m.

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
	Net Increase or Decrease (-) in the Deficit											
Pay-As-You-Go Effect	-108	-205	-180	-159	11	111	161	185	208	-73	-641	-49

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those procedures are shown here. Enacting H.R. 1836 would increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2032 for two reasons. First a provision taking effect on August 1 of that year would count both active and inactive duty for training before, on, or after that date for benefits under the Post-9/11 GI Bill. Second, the increases in home loan fees under the bill would expire before 2032 and thus would have no long-term effects on deficits.

The bill would make the following changes to programs affecting benefits administered by the Department of Veterans Affairs (VA).

- a. Section 2 would count time in active duty for training toward Post-9/11 GI Bill benefits for reservists and guard members who serve on or after August 1, 2025. For the reserve components, active duty for training consists of nearly all full-time duty other than during mobilizations, including the two weeks of annual training required of every reservist and guard member. That training is not counted towards entitlement for the Post-9/11 GI Bill under current law. Section 2 would increase direct spending by \$1.9 billion over the 2022- 2031 period.
- b. Section 3 would increase most of the fees borrowers pay to VA for loan guarantees between January 14, 2031, and September 30, 2031, from a weighted average of 1.2 percent to 2.5 percent of the loan amount. The section also would raise fees for guarantees of certain refinancing loans from 0.5 percent to 0.85 percent over the period from July 1, 2022, to September 30, 2030. Section 3 would decrease direct spending by almost \$2 billion over the 2022-2031 period.

On December 6, 2021, CBO transmitted a [cost estimate for H.R. 1836](#), the Guard and Reserve GI Bill Parity Act of 2021, as ordered reported by the House Committee on Veterans' Affairs on November 4, 2021. The estimates differ because H.R. 5545, the REMOTE Act, which was enacted on December 21, 2021, increased some of the same fees as section 3 of H.R. 1836, reducing the decrease in direct spending that is credited to the bill. Conversely, this version of H.R. 1836 would extend the fee increase for certain refinancing loans for a longer period than the reported version, decreasing direct spending in comparison with the reported bill.

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