



# VAREP

VETERANS ASSOCIATION OF  
REAL ESTATE PROFESSIONALS

## VAREP 2024 POLICY CONFERENCE

# POLICY POSITION PAPER | 5 POINT PLAN

Established in 2011, the Veterans Association of Real Estate Professionals (VAREP) **urgently seeks a Federal Charter under 36 U.S. Code Part B**. Recent developments, like the NAR settlement and VASP program, alongside the insufficient financial and housing support for active-duty, transitioning servicemembers, and veterans, emphasize the urgent need for action. This Federal Charter empowers VAREP to be a vital resource for policymakers and agencies regarding matters in critical areas outlined in this document.

**Pass H.R. 3240 | Senate Bill S.2964.**

## **Point One: NAR Settlement Exposes Flaws in Existing VA Home Loan Guaranty Benefit**

In response to the NAR settlement, the VA issued a circular temporarily loosening policy restrictions on commission payments, addressing the competitive disadvantage for buyers using VA loans. This temporary measure initiates the rulemaking process to revise these policies. However, allowing veteran borrowers to pay commissions may **increase their financial burden**, particularly for those unable to afford it, leading to negotiation disadvantages, legal risks, limited housing options, reduced affordability, and continued low usage of VA loans.

## **Point Two: Veterans Affairs Servicing Purchase (VASP) Program – Only a Short Term Solution**

The Veterans Affairs Servicing Purchase (VASP) program, launching on May 31, 2024, aims to assist over 40,000 veterans facing severe financial hardship, preventing foreclosure and preserving their homes. However, it offers only temporary relief, **without ensuring long-term stability**. We have concerns about potential abuse or fraud, demanding rigorous oversight to ensure eligible veterans receive assistance. VASP is not resolving underlying financial issues, leaving veterans vulnerable once support ceases.

## **Point Three: Lack of Financial Readiness and Housing Support for Active-Duty, Transitioning Servicemembers, and Veterans Leads to Stress, Depression, and Potential Homelessness**

Active-duty, transitioning servicemembers, and veterans lack essential financial and housing support services like financial literacy education, credit counseling, and protection from exploitation. Studies link **insufficient financial literacy and housing education to homelessness**, making prioritizing these services crucial.

## **Point Four: Give Active-Duty Military and Veteran Status Fair Housing Protections**

Previous legislative attempts (H.R. 2846 and Senate Bill S.1267) to amend the Fair Housing Act to include Active-Duty and Veteran as a protected status have been unsuccessful. We propose a standalone bill granting fair housing protections directly to these groups. This **enables DOJ enforcement** actions against violators, **improves programs like HUDVASH and SSVF** targeted by discrimination, allow CFPB to gather financial data from lending institutions to **identify predatory lending** and involve VSOs like VAREP to **report fair housing and VA Home Loan basis through casework**.

## **Point Five: Pass the VALID Act of 2023 – H.R. 4335 | Senate: S.2496**

The VALID Act of 2023 mandates a **“side-by-side” comparison of conventional, FHA, and VA home loans** to offer potential homebuyers clarity and transparency. This initiative aims to increase the utilization of VA home loans among Active-Duty Personnel, Transitioning Servicemembers, and Veterans.

# VAREP'S PROPOSED SOLUTIONS: REVISE, DIRECT, INTRODUCE, ENCOURAGE, AND MANDATE

- **Revise** VA Home Loan Guaranty policy to permit borrowers to pay commissions allowing borrowers to include commission financing as an option in VA Home loans.
- **Direct** the VA to create a dedicated VA Housing & Financial Counseling Program, either modeled after HUD's success or in collaboration with HUD, akin to HUDVASH. Prioritize financial literacy, responsible homeownership, buying and selling homes, loan options such as VA Home loans, foreclosure prevention, HUDVASH, SSVF, VASP, and other veteran resources.
- **Introduce** a forgivable "Homebuying Commission Grant Program" for low- to moderate-income veteran homebuyers, contingent upon successful completion of HUD housing counseling.
- **Encourage** all VA Home Loan borrowers to undergo HUD housing counseling during new loan applications or refinancing, offering a VA Home Loan incentive upon completion.
- **Mandate** HUD housing counseling completion for current and potential defaulting VA Home Loan borrowers as a prerequisite for acceptance into VA'S VASP.

## OUR ASK:

1. Grant a Federal Charter to Veterans Association of Real Estate Professionals Under 36 U.S. Code Part B
2. Pass the VA Home Loan Informed Disclosure Act of 2023 known as the VALID Act of 2023

### The two points above can be achieved through:

- Passing standalone bills H.R. 3240 or Senate Bill S.2964;
  - Passing standalone Bills such as: H.R. 4335 | Senate: S.2496;
  - Inclusion in the National Defense Authorization Act (NDAA); or
  - Inclusion in the Military Construction, Veterans Affairs, and Related Agencies (MilCon-VA) bill
3. Introduce a Standalone Bill granting Fair Housing Protection Status for Active-Duty and Veterans
  4. Direct (administratively) VA to create a Housing & Financial Counseling Program, mirroring HUD's effective model, to meet the needs of servicemembers and veterans.
  5. Establish an MOU partnership between DoD, VA, DOJ, DOL, HUD, and VAREP to address fair housing and VA Home Loan Benefit issues for active-duty personnel and veterans, including reporting anti-VA Home Loan bias, through casework, education, counseling and accountability.

## Conclusion:

**The VA Home Loan Benefit has lacked adequate representation and VSO guardianship for too long. The issues highlighted in this document require urgent attention, and VAREP implores policymakers to take proactive measures to safeguard active-duty personnel and veteran housing rights.**

As a housing non-profit for vets, by vets, our success is measured not by a balance sheet for shareholders, but by how many lives we can improve through our programs and services. Our proactive stance of providing financial-literacy education and advocating homeownership may not end the epidemic of homelessness among the veteran community, but can prevent it from happening in the future, one veteran at a time.”

- Son Nguyen, VAREP National President and Founder



**[www.VAREP.net](http://www.VAREP.net)**

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