



VAREP

VETERANS ASSOCIATION OF
REAL ESTATE PROFESSIONALS

2018 POLICY POSITION STATEMENT

POLICY POSITION PAPER

The 2018 Veterans Association of Real Estate Professionals (VAREP) policy position statement is an evaluation of key policy issues that have a direct impact on VAREP's ability to accomplish its mission.

Veterans are members of a protected class. As such, federal and state laws have been enacted to protect veterans on various employment, economic, and judicial issues. In the same spirit, VAREP implores legislators to protect veterans against discrimination insofar as credit, lending and housing opportunities by taking action on the following:

1. Establish a program to educate/counsel veterans about financial literacy and the benefits of homeownership
2. Create a "Veterans Informed Consumer Choice Disclosure Notice" mandating that lenders provide veteran consumers who apply for a VA loan with a written comparisons between the VA, FHA and conventional loan products
3. Instruct CFPB to expand its monitor of geographic targets of mortgage lenders to include veterans through the Home Mortgage Disclosure Act (HMDA)
4. Modernize federal fair housing, lending and equal credit opportunity acts to include and protect veterans.

Issues & Supporting Data

A 2016 VAREP survey of veterans and 2010 VA National Veterans surveys, showed the following:

- 65% said they did not think they could ever own a home.
- 95% said they did not receive housing counseling and VA Loan education while serving and post separation.
- 95% said they wanted follow-up home buying counseling services and education.
- 33.6% indicated they did not know about the program.
- 8.1% said their lender and/or REALTOR® discouraged the use of the VA loan.

Lack of veteran inclusion in CFPB's interpretation of the Home Mortgage Disclosure Act (HMDA):

- Currently, the CFPB does not collect data/monitor the veteran lending experience; thus they cannot provide the identification mechanism for any predatory lending practices or provide reporting statistics to paint a clear picture of the veteran lending and homeownership experience.

Lack of veteran inclusion in current federal fair housing, lending and equal credit opportunity laws:

- The Fair Housing, Equal Credit Opportunity and Community Reinvestment Acts protect low-and-moderate income families and certain socioeconomic groups against discrimination insofar as credit, lending and housing opportunities. Veterans, an established protected class, have been left out of these laws causing confusion, frustration and in some cases, housing discrimination.

4 POINT SOLUTION

A Multi-Agency, Administrative & Legislative Approach

1

ESTABLISH A PROGRAM TO EDUCATE/COUNSEL VETERANS ABOUT FINANCIAL LITERACY, HOUSING OPTIONS AND THE BENEFITS OF HOMEOWNERSHIP.

Through legislation, the VA would be required to establish a financial literacy and housing education program offered to veterans. Topics should include the importance of budgeting and savings, the benefits of homeownership, different mortgage types, maintaining good credit and avoiding foreclosure. After education, participants would be provided with follow-up housing counseling services to answer any questions, reinforce learning and expose veterans to all available housing options.

2

ADD THE VA LOAN AS AN OPTION TO HUD'S INFORMED CONSUMER CHOICE DISCLOSURE NOTICE.

Amend HUD's existing "Informed Consumer Choice Disclosure Notice" to include the VA loan. This would mandate that lenders would provide veteran consumers who apply for a VA loan with a written side-by-side comparisons between the VA, FHA, and conventional loan products.

3

INSTRUCT CFPB TO EXPAND ITS MONITOR OF GEOGRAPHIC TARGETS OF MORTGAGE LENDERS TO INCLUDE VETERANS THROUGH THE HOME MORTGAGE DISCLOSURE ACT (HMDA).

Currently, the CFPB does not consider veterans as a geographic target under the "Home Mortgage Disclosure Act (HMDA) and Regulation C"; thus they do not collect data/monitor the veteran lending experience. This means they cannot provide an identification mechanism for any predatory lending practices and to provide reporting statistics on the mortgage market to paint a clearer picture of the veteran lending and homeownership experience.

4

MODERNIZE FEDERAL FAIR HOUSING, LENDING AND EQUAL CREDIT OPPORTUNITY ACTS TO INCLUDE AND PROTECT VETERANS.

Including veterans as a protected class under the Fair Housing Act, the Equal Credit Opportunity Act (ECOA), Fair Lending Laws and the Community Reinvestment Act (CRA) would allow agencies such as Federal Housing Finance Agency (FHFA), Consumer Financial Protection Bureau (CFPB), Department of Housing and Urban Development (HUD) and Office of the Comptroller of the Currency (OCC) to work with financial institutions to stop discrimination and create programs that positively provide credit, lending and housing opportunities for veterans.

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

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