



# VAREP

VETERANS ASSOCIATION OF  
REAL ESTATE PROFESSIONALS

## 2022 POLICY POSITION STATEMENT

# POLICY POSITION PAPER

Established in 2011, the USA Homeownership Foundation, Inc. (DBA VAREP), is a 501(c)3, HUD-approved counseling agency dedicated to improving the lives of servicemembers and veterans through housing and philanthropy. In December 2019, we incorporated our veteran services division as a 501(c)19, non-chartered Veterans Service Organization (VSO) to expand our reach and resources in supporting veterans.

**Our Ask:** Grant VAREP Congressional Charter Recognition Under 36 U.S. Code Part B

## BACKGROUND

The Department of Veteran Affairs (VA) offers five basic veteran benefits: 1.) disability, 2.) compensation, 3.) pension, 4.) education, and 5.) home loan guaranty.

Congress granted Title 36 charters to approximately 92 corporations. Most notable of these were the VFW, American Legion, DAV, and AMVETS, a.k.a. the “Big Four.” In fulfilling the charter responsibilities, these VSOs assist, file, and manage veterans’ disability, compensation, pension, and education claims with the VA, thus serving as resources to Congress in executing the benefits veterans deserve.

## THE BENEFIT WITH NO VOICE: THE VA HOME LOAN GUARANTY BENEFIT

**Four of the five benefits have chartered VSOs. These VSOs are empowered to help educate, oversee, and guide veterans in fulfilling the cumbersome requirements needed to obtain them. Why is it that the VA Home Loan Guaranty does not?**

The VA Home Loan Guaranty Benefit is much more than a loan for a home. It is a tortuous process of understanding financial literacy, maintaining good credit, making wise money decisions, recognizing, and reporting rental and housing discrimination, avoiding predatory lending, maintaining a job, accessing SSVF/HUDVASH homelessness resources, and understanding the VA Home Loan Benefit without duress.

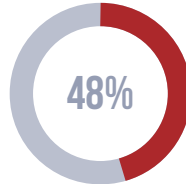
# CASE STUDY

In January 2021, VAREP sampled several local REALTOR® associations' 2020 MLS data for homes sold and compared them to instances where the VA Home Loan Guaranty Benefit was NOT offered as a financing option.

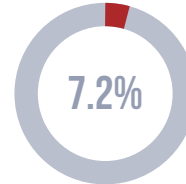
## Maricopa County, AZ

**105,376**

Closed Transactions



Not afforded VA Home Loan Guaranty Benefit financing options

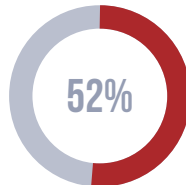


Of all sales were the result of VA Home Loan Benefit

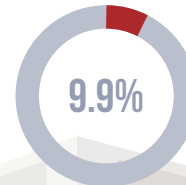
## Clark County, NV

**40,140**

Closed Transactions



Not afforded VA Home Loan Guaranty Benefit financing options

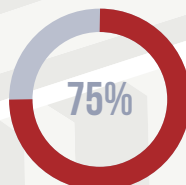


Of all sales were the result of VA Home Loan Benefit

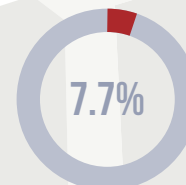
## Minnesota & West Wisconsin

**1,532\*\***

Closed Transactions



Not afforded VA Home Loan Guaranty Benefit financing options



Of all sales were the result of VA Home Loan Benefit

## CASE ANALYSIS:

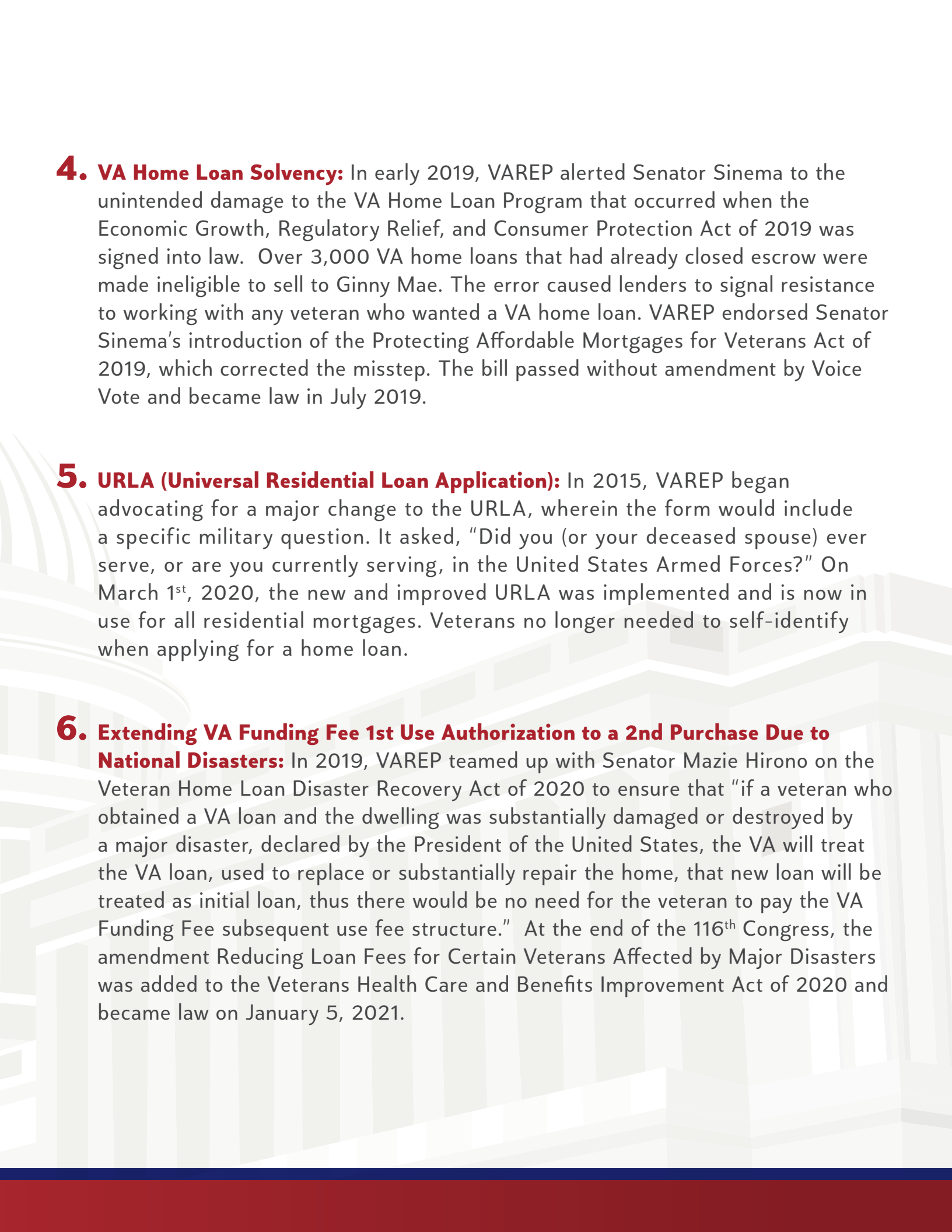
\*\* Data represents multifamily housing including duplex, triplex and 4plex.

- Over half the properties sold did not offer the VA Home Loan Guaranty Benefit as a financing option.
- Of the closed homes, many veterans who qualified for a VA home loan were steered away from the benefit for which they served and sacrificed. **THIS IS NOT ACCEPTABLE!**

**BEYOND THE VA HOME LOAN... VETERAN HOMEOWNERSHIP NEEDS A VOICE**

### Legislative Accomplishments

- 1. Blue Water Vietnam Navy Act:** In 2018, VAREP became aware of the Blue Water Navy Vietnam Veterans Act. The “pay for” language was constructed in such a way that the bonus entitlement (a.k.a. remainder entitlement) feature would eviscerate the VA Home Loan. Additionally, the VA Funding Fee Waiver, offered to any veteran with a VA-rated disability, would have been eliminated from all but those veterans with a 100% disability. In 2018, VAREP was pivotal in halting the forward momentum of the Blue Water Navy Vietnam Veterans Act and urged corrections to its “pay for” language. VAREP wrote the language that rescued “bonus entitlement” and convinced Congress to delete the language removing the VA Funding Fee. VAREP also backed and advocated for enhanced access to the VA Funding Fee by Purple Heart recipients who are still serving on active duty.
- 2. Servicemember Financial Literacy:** VAREP successfully led the way during the 115<sup>th</sup> Congress by working with then-Congresswoman Kyrsten Sinema (D-AZ). The collaboration was forged to add an amendment to the National Defense Authorization Act (NDAA) for fiscal years 2018/2019. Congresswoman Sinema’s amendment to the NDAA instructed the DoD to ensure that members obtain sufficient financial literacy to effectively leverage conferred benefits and opportunities for employment, education, vocational training, and entrepreneurship.
- 3. VA Home Loan Churning:** Along with Senators Elizabeth Warren (D-MA) and Thom Tillis (R-NC), VAREP led the legislative efforts to put an end to CHURNING. Churning took advantage of a loophole in the VA Refinance Program (Interest Rate Reduction Refinance Loan, or IRRRL), allowing predatory lenders to reap tens of thousands of dollars from veteran homeowners who utilized VA Home Loans. The Economic Growth, Regulatory Relief, and Consumer Protection Act of 2019 passed in both houses and became law, terminating this unconscionable practice.

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- 4. VA Home Loan Solvency:** In early 2019, VAREP alerted Senator Sinema to the unintended damage to the VA Home Loan Program that occurred when the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2019 was signed into law. Over 3,000 VA home loans that had already closed escrow were made ineligible to sell to Ginny Mae. The error caused lenders to signal resistance to working with any veteran who wanted a VA home loan. VAREP endorsed Senator Sinema's introduction of the Protecting Affordable Mortgages for Veterans Act of 2019, which corrected the misstep. The bill passed without amendment by Voice Vote and became law in July 2019.
- 5. URLA (Universal Residential Loan Application):** In 2015, VAREP began advocating for a major change to the URLA, wherein the form would include a specific military question. It asked, "Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces?" On March 1<sup>st</sup>, 2020, the new and improved URLA was implemented and is now in use for all residential mortgages. Veterans no longer needed to self-identify when applying for a home loan.
- 6. Extending VA Funding Fee 1st Use Authorization to a 2nd Purchase Due to National Disasters:** In 2019, VAREP teamed up with Senator Mazie Hirono on the Veteran Home Loan Disaster Recovery Act of 2020 to ensure that "if a veteran who obtained a VA loan and the dwelling was substantially damaged or destroyed by a major disaster, declared by the President of the United States, the VA will treat the VA loan, used to replace or substantially repair the home, that new loan will be treated as initial loan, thus there would be no need for the veteran to pay the VA Funding Fee subsequent use fee structure." At the end of the 116<sup>th</sup> Congress, the amendment Reducing Loan Fees for Certain Veterans Affected by Major Disasters was added to the Veterans Health Care and Benefits Improvement Act of 2020 and became law on January 5, 2021.

# HOW WE HELP SERVICEMEMBERS AND VETERANS

At NO COST to the veteran, we have provided the following services to thousands of veterans:

**01**

As a HUD-approved housing affiliate, we represent veterans facing foreclosure to the banks. We help them achieve resolutions for late payments, and loan workouts to avoid foreclosure. No other HUD affiliate has the expertise with the veteran culture that we do. This service has been ESSENTIAL but overlooked.

**06**

Assist the Department of Veterans Affairs in developing a holistic alternative therapy program to combat the veteran suicide epidemic.

**07**

Educate veterans on topics such as banking, budgeting, saving, and maintaining good credit, and address the benefits of homeownership, the VA Home Loan Benefit, and incorporate our H.E.L.P. curriculum.

**02**

Work with servicemembers and their spouses to ensure that banks adhere to the Servicemembers Civil Relief Act.

**03**

Assist veterans with resources to achieve suitable and affordable rentals.

**04**

Provide veterans who are chronically or on the verge of homelessness with SSVF and HUDVASH assistance.

**08**

Train real estate agents and lending professionals about the VA Home Loan Guaranty Benefit, ensuring the veterans' home buying experience is nondiscriminatory.

**05**

Assist government agencies with programs that reduce veteran homelessness and provide affordable housing solutions for veterans' families with low-to-moderate income. Provide workforce training during veteran reintegration and provide resources for veteran entrepreneurship.

**09**

Provide closing-cost assistance for veterans in need.

**10**

We have donated 50+ mortgage-free homes to deserving heroes.

## CONCLUSION

### A Congressional Charter would:

- ✓ Allow the VA to recognize the VA Home Loan Guaranty Benefit as being on the same level as the disability, compensation, pension, and education benefits.
- ✓ Allow the VA and VAREP to create a national partnership that provides veterans with housing and financial literacy services.
- ✓ Allow VAREP to continue as the “boots on the ground” resource reporting to Congress on housing, financial literacy, mortgage lending progress, and other issues.
- ✓ Allow VAREP to continue working with both chambers of Congress on key housing and financial issues.
- ✓ Allow VAREP to continue to expand education efforts through the MVHC to REALTORS®, thus improving the veteran home buying/financing experience for all veterans who take advantage of the VA Home Loan Benefit.

**In nearly every example of operational and legislative successes, only VAREP understood the need to fix these ubiquitous problems.**

**As such, we implore both branches of Congress—The United States House of Representatives and Senate—to grant VAREP a Congressional Charter that allows us to continue providing our services to veterans at the VA facilities.**

**VAREP is the essential voice that has been missing on the “Veteran Housing and Economic Benefits Advocacy Battlefield.”**





*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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