

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CHAIRMAN MIKE BOST

VA Home Loan Affordability Act – Rep. Van Orden

Background:

Through the Department of Veterans Affairs (VA) Home Loan Program, eligible veterans and surviving spouses can purchase homes with favorable terms, such as the zero percent down payment requirements and competitive interest rates. Since the VA Home Loan's creation in 1944, it has unleashed economic opportunities for millions of veterans, servicemembers, and their families.

However, VA is currently experiencing a shortage of certified appraisers, which is resulting in excessive wait times and higher fees for veterans hoping to buy a home. VA has identified 436 counties across 31 different states that do not have enough certified appraisers to meet the current homebuying demand for veteran families. Additionally, VA has stricter appraisals certification guidelines compared to Federal Housing Administration (FHA) which may cause delays in the veteran home buying experience. Appraisers play an important role in the homebuying process to determine the property's value, a veteran's eligibility for a loan, and to ensure that veteran homebuyers are not being taken advantage of. Although the home loan program is already very generous, there are still ways that it could be improved, specifically when it comes to existing barriers within the appraisal process.

The *VA Home Loan Affordability Act* would lower the certification time that is required by law to become a certified VA appraiser, which is currently 3-5 years, by matching that time frame with the time required to become state licensed certified (12-18 months). This bill would also cap the closing costs fees placed on veterans up to 1.5%, and cap seller concessions at 6% to match FHA standards for nonveterans. Additionally, this bill would require VA to review the rules surrounding minimum property requirements and the appraisal process to make changes that are needed to modernize the program and remove bureaucratic hurdles to a veteran getting the keys to the American dream. The goal of this bill is to find ways to mirror the programs at FHA so that veterans are able to access an efficient and affordable home buying experience.

The Message:

- Veterans should not have to wait longer than non-veterans to receive an appraisal due for the purchase of their new home simply because of bureaucratic barriers that stand in the way and slow down the process.
- The *VA Home Loan Affordability Act* would modernize different processes within VA's home loan program to mirror other federal home loan programs and ultimately speed up the homebuying process.
- The *VA Home Loan Affordability Act* would make purchasing a home more efficient by reducing closing costs as a result of bureaucratic delays to expand affordability for veterans and their families.
- The *VA Home Loan Affordability Act* would modernize the VA Home Loan program so that it can continue to expand economic opportunity for the men and women who have and will serve.