

**Congress of the United States**  
**Washington, DC 20515**

June 1, 2022

The Honorable Denis McDonough  
Secretary  
U.S. Department of Veterans Affairs  
810 Vermont Avenue NW  
Washington, DC 20420

Dear Secretary McDonough:

Thank you for your work to ensure the men and women who served our country receive the benefits they have rightfully earned. It is with those efforts in mind that we write to ask that your department work to make homeownership more attainable for our nation's veterans. Specifically, we believe the Department of Veterans Affairs (VA) should explore how VA mortgage loans can compete in today's marketplace and ensure veterans have negotiating power throughout the home buying process.

As you may know, buyers are facing an incredibly competitive housing market and have been for some time. According to the National Association of REALTORS®, February 2022 saw a median sales price of \$357,300 and 1.7 months of inventory. The median sales price is up 15% year-over-year, and inventory was down 0.3 months from February 2021. This marks 120 consecutive months of year-over-year increases, the longest-running streak on record. Sellers have benefitted the most from this intense housing market, typically earning their full asking price<sup>1</sup>.

Historically, VA mortgage loans were appealing and competitive to sellers. Unfortunately, the current housing market and the rise in cash and conventional loans with waived contingencies can leave veterans unable to compete with other buyers. VA borrowers are less successful than borrowers using conventional loan products, with 11% of VA borrowers changing loan products during their housing search, compared to only 1% of conventional borrowers who change financing methods.<sup>2</sup> This is particularly concerning given the alarming levels of veteran homelessness in our nation. In 2021, 19,750 veterans experienced homelessness<sup>3</sup>.

Our nation's veterans have provided an invaluable service to protect our freedoms and American way of life. It is only fitting we ensure they receive the benefits they deserve. We call on your department to improve the VA mortgage loan process and ask for a report on the steps the VA is taking to increase loan competitiveness. It is imperative veterans receive a competitive loan that provides them the opportunity to purchase a home. To gain a better understanding of the issue, we request answers to the following questions:

1. How is the VA working to improve appraisal policy and procedure, such as minimum property requirements, to improve the ability of veterans to compete, while also

---

<sup>1</sup> National Association of REALTORS® 2021 Profile of Home Buyers and Sellers

<sup>2</sup> National Association of REALTORS® 2021 Loan Type Survey

<sup>3</sup> <https://www.huduser.gov/portal/sites/default/files/pdf/2021-AHAR-Part-1.pdf>

maintaining appropriate levels of protection to the loan guaranty program and veteran home buyers?

2. What level should the funding fee be set at to strictly cover the risk of default and the 25% guaranty payments in the home loan program?
  - a. Does VA have the resources it needs to commission a study identifying what percentage of VA funding fee is currently dedicated to the home loan guarantee program, and what percentage is being diverted to other programming?
3. How is the VA working to improve the public perception of the VA mortgage loan program?
4. How can Congress assist the VA in its efforts to improve the competitiveness of the mortgage loan program?

We look forward to your response and to working with you to address this important issue for our veterans.

Sincerely,



Guy Reschnethaler  
Member of Congress



Derek Kilmer  
Member of Congress



Elise M. Stefanik  
Member of Congress



Eric Swalwell  
Member of Congress



Brian Fitzpatrick  
Member of Congress



Fred Keller  
Member of Congress



Mike Kelly  
Member of Congress



Vicky Hartzler  
Member of Congress



Doug LaMalfa  
Member of Congress



Brian Mast  
Member of Congress



Juan Vargas  
Member of Congress



Dina Titus  
Member of Congress



Tom O'Halleran  
Member of Congress



Eleanor Holmes Norton  
Member of Congress



Rodney Davis  
Member of Congress

Stephanie Bice  
Member of Congress

Adriano Espaillat  
Member of Congress

Yvette Herrell  
Member of Congress

Michael Turner  
Member of Congress

Raul Grijalva  
Member of Congress

Chris Pappas  
Member of Congress

Jahana Hayes  
Member of Congress

Mariannette Miller-Meeks, M.D.  
Member of Congress

Dan Meuser  
Member of Congress

Susie Lee  
Member of Congress

Glenn "GT" Thompson  
Member of Congress

Scott Franklin  
Member of Congress

Ed Case  
Member of Congress

Jay Obernolte  
Member of Congress

Michael Waltz  
Member of Congress

William Timmons  
Member of Congress

Cathy McMorris Rodgers  
Member of Congress

Fred Upton  
Member of Congress

Jake Ellzey  
Member of Congress

Tim Ryan  
Member of Congress

Ben Cline  
Member of Congress

Katie Porter  
Member of Congress

Henry C. "Hank" Johnson, Jr.  
Member of Congress

Adam Smith  
Member of Congress

Elaine Luria  
Member of Congress

Mario Diaz-Balart  
Member of Congress

Gus M. Bilirakis  
Member of Congress

Jaime Herrera Beutler  
Member of Congress

Rashida Tlaib  
Member of Congress

Cindy Axne  
Member of Congress

David Kustoff  
Member of Congress

Debbie Lesko  
Member of Congress

David G. Valadao  
Member of Congress

Ted W. Lieu  
Member of Congress

Sam Graves  
Member of Congress

Peter Meijer  
Member of Congress

Michael F.Q. San Nicolas  
Member of Congress

Ken Calvert  
Member of Congress

Bill Johnson  
Member of Congress

Tracey Mann  
Member of Congress

Ralph Norman  
Member of Congress

Angie Craig  
Member of Congress

Suzan DelBene  
Member of Congress

Carlos A. Gimenez  
Member of Congress

Kim Schrier, M.D.  
Member of Congress

Brad Sherman  
Member of Congress

John Carter  
Member of Congress

Richard Hudson  
Member of Congress



Ed Perlmutter  
Member of Congress



Linda T. Sánchez  
Member of Congress