



June 12, 2024

Chairman Derrick Van Orden
House Subcommittee on Economic
Opportunity
1513 Longworth House Office Building
Washington, DC 20515

Ranking Member Mike Levin
House Subcommittee on Economic
Opportunity
2352 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Van Orden and Ranking Member Levin,


On behalf of 1.5 million REALTORS®, thank you for holding today's hearing to examine legislative solutions to improve veterans' experience in the home-buying process. NAR's members serve veterans as trusted advisors at every step when buying a home, from initial home searches to writing and negotiating offers, assisting with inspections and appraisals, and ultimately bringing their clients to the closing table. Most importantly, in today's competitive market, REALTORS® play an important role in ensuring that home sellers see and consider a veteran's offer.

The Department of Veteran's Affairs' (VA) Home Loan Guaranty is a unique government program that allows veterans to purchase a home with no downpayment. In 2023, the VA Home Loan Guaranty provided financing for roughly 400,000 home purchases and refinances. Over half of the 300,000 purchase loans were for first-time buyers.

While the VA's home loan program is a major source of funding for prospective homeowners, there are several policy shortcomings that may prevent veterans from fully accessing and utilizing this benefit. Specifically, VA policy prohibits veteran buyers from paying certain fees in a transaction, including the use of a professional representative. In situations where home sellers do not offer compensation to buyer brokers or where competing offers are willing to pay for their own agents, veterans using the VA loan face a disadvantage in comparison to other buyers because they are unable to compensate their professional representative. This leaves the veteran with a few choices: to not purchase that home in a limited market, forego professional representation, switch loan products, or exit the market entirely and push off homeownership.

NAR thanks Chairman Van Orden, Chairman Mike Bost, and Representative Mark Alford for introducing H.R. 8647, the VA Home Loan Reform Act, which requires the VA to devise a strategy that ensures existing policies do not disadvantage veterans. NAR was encouraged to hear the Department will be temporarily lifting its prohibition on buyers directly compensating their agents. However, a permanent solution is still needed to ensure no ambiguity exists in the future.

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This year marks the 80th anniversary of the G.I. Bill's passage. Eight decades later, the VA home loan continues to provide veterans who bravely served their country the opportunity to achieve the American dream of homeownership. NAR is committed to ensuring veterans have equal access to the professional representation that can help them make that dream a reality.

Thank you again for holding today's hearing, and we look forward to working with you and the VA to find a permanent solution that benefits veterans.

Sincerely,



2024 President, National Association of REALTORS®


CC:

Chairman Mike Bost, U.S. House Committee on Veterans Affairs

Ranking Member Mark Takano, U.S. House Committee on Veterans Affairs

Representative Mark Alford

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