

### **NAR Committee:**

Federal Financing and Housing Policy Committee

### **What is the fundamental issue?**

Since its establishment in 1944, the VA home loan guarantee program has helped millions of veterans purchase and maintain homes. NAR believes this program is a vital homeownership tool that provides veterans with a centralized, affordable, and accessible method of purchasing homes as a benefit for their service to our nation.

In 2019, NAR was successful in removing the home loan limit cap for VA home loans. Now our nation's veterans can purchase any home they can qualify for, without a limit on value.

NAR continues to work with VA to provide more flexibility in their policies. Currently, VA limits the fees which a veteran can pay. While this is designed to protect veteran purchasers, it places them at a disadvantage in multiple bid situations or when buying REOs.

Additionally, NAR continues to work with the VA to create rehabilitation loan program similar to the FHA 203k program. Veterans are often the perfect candidates to buy a rehabilitation home, as they may have skills learned through their service that can help them take advantage of these types of loans.

### **I am a real estate professional. What does this mean for my business?**

VA loans provide zero-downpayment financing for veterans and surviving spouses.

### **NAR Policy:**

NAR is a strong supporter of, and REALTORS® are a major participant in, the VA Home Loan Guaranty Program.

The VA Home Loan Guarantee program has guaranteed more than 24 million loans to American veterans, with a total loan volume over one trillion dollars. This program is a vital homeownership tool that provides veterans with a centralized, affordable, and accessible method of purchasing homes as a benefit for their service to our nation.

### **Opposition Arguments:**

There is no current political opposition to the VA Home Loan Guaranty Program. Some sellers may be hesitant to sell their homes to buyers using the VA Home Loan Guaranty Program because of the strict conditions that come along with these loans. For instance, there is a limit on fees that can be charged to the buyer using a VA Loan and VA loans also require more strict home inspections.

### Legislative/Regulatory Status/Outlook

NAR is working with Congress and the Department of Veterans Affairs to enhance the program. NAR continues to work to ensure that veterans are able to negotiate all reasonable and customary fees as part of the real estate transaction. Today's veterans are losing out on some home sale purchases due to their inability to pay certain fees like pest inspections or certifications. We are working with the VA to provide more flexibility to veteran borrowers.

NAR continues to work with the VA on the creation of a rehabilitation loan program similar to the FHA 203k program. That FHA program allows borrowers to purchase a home and include the costs of rehabilitation in the loan. This would be a great benefit to our nation's veterans.

### Current Legislation/Regulation (bill number or regulation)

No actions at this time.

### Legislative Contact(s):

Sydney Barron, sbarron@nar.realtor, 202-383-1089

Jeremy Green, jgreen@nar.realtor, 312-329-8404

### Regulatory Contact(s):

Jeremy Green, jgreen@nar.realtor, 312-329-8404