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.

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. This is particularly concerning given the alarming levels of veteran homelessness in our nation. In 2021, 19,750 veterans experienced homelessness.

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

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1 National Association of REALTORS® 2021 Profile of Home Buyers and Sellers
2 National Association of REALTORS® 2021 Loan Type Survey
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 Reschenthaler
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  
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Adriano Espaillat  
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Yvette Herrell  
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Michael Turner  
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Raul Grijalva  
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Chris Pappas  
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Jahana Hayes  
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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
Ed Perlmutter  
Member of Congress  

Linda T. Sánchez  
Member of Congress