

Legislation would ensure early action by the VA to assist veterans in default on VA home loans

(Washington, DC) – Today, Rep. Tim Walz (MN-01) and Rep. John Boozman (AR-3) introduced bipartisan legislation to help prevent veterans with VA home loans from becoming homeless due to foreclosure. The legislation mandates that the VA notify its homelessness case managers within seven days of a VA home loan going into default and that the case manager assigned put in place a plan to prevent the veteran from subsequently becoming homeless due to the foreclosure.

The Veterans' Homelessness Prevention and Early Warning Act of 2010 preemptively addresses homelessness amongst American veterans. VA-backed home loans, like the larger housing industry, have seen a steady increase in the foreclosure rate over the last three years. In 2007, 8,113 foreclosures of VA loans were completed. In 2009, that number had risen to 15,145.

“American heroes living on the streets, out of cars and on the couches of family members is a disgrace. These men and women fought for our country and we must do everything we can to address their unique needs, which all too often are a contributing factor in homelessness amongst this population,” said Congressman Tim Walz. “One way we can begin to rectify this situation is by addressing homelessness before it happens. This bill makes the VA take decisive action to assist a veteran who is in danger of foreclosure. If possible, the VA will help these men and women stay in their home and if not, the VA will assist with finding an appropriate housing alternative.”

“Homelessness is a serious problem amongst our nation’s veterans. This simple coordination can ensure that our veterans have access to the assistance they need to confront the challenges of the current economic environment,” Boozman said.

On September 1st, Congressman Walz and VA Secretary Eric Shinseki visited housing in Mankato, Minnesota that serves formerly-homeless, disabled veterans. The housing, built and run by the Minnesota Assistance Council for Veterans (MAC-V) was praised by Shinseki as a potential model for addressing the needs of those veterans who are already homeless. MAC-V’s Director Sue Sorenson commented on the Walz-Boozman bill stating, “Early intervention and ongoing communication with veterans at risk of homelessness is always the best approach. I appreciate this bill setting a benchmark to provide a plan for these situations.”

"Stable, permanent housing is the cornerstone of health and family – our veterans deserve nothing less," said Nan Roman, president of the National Alliance to End Homelessness. "This bill represents the first step in connecting all veterans to the support and resources necessary to achieve that stability for themselves and their families. I applaud Representatives Walz and Boozman for demonstrating urgency on this critical issue, and I look forward to their continued leadership to prevent and end homelessness for all our nation’s heroes."

VA-backed home loans are available to veterans, active duty personnel, certain Reservists and National Guard Members, widows of persons who died on active duty or as a result of a service-connected disability, and spouses of POW/MIA soldiers. While the VA does not own or service the loan, it is kept appraised of the loan status because it backs the loan, meaning the lender collects losses associated with the loan from the VA in the event of a foreclosure. More

information regarding VA home loans can be found here: <http://www.benefits.va.gov/homeloans/lp.asp>

The Veterans' Homelessness Prevention and Early Warning Act of 2010 will:

- Require the VA to notify VHA homelessness case managers within 7 business days of a VA-backed home loan going into default.
- Require the VA to ensure that the case manager develops a plan to provide alternate housing for the veteran in the event that the veteran loses the veteran's home.
- Require the VA to submit a plan for carrying this out no later than 6 months after enactment; the VA must have the regulations in place no later than a year after enactment.