



November 10, 2022

The Honorable Jon Tester
Chairman, Senate Committee on Veterans' Affairs
Via email: Mr. William Van Saun

The Honorable Jerry Moran
Ranking Member, Senate Committee on Veterans' Affairs
Via email: Ms. Kelsey Baron

The Honorable Mark Takano
Chairman, House Committee on Veterans' Affairs
Via email: Mr. Justin Vogt

The Honorable Mike Bost
Ranking Member, House Committee on Veterans' Affairs
Via email: Mr. Jon Clark

Dear Chairs and Ranking Members:

The Community Home Lenders of America (CHLA) writes to support a reduction in VA home loan mortgage guarantee fees charged to veterans and active-duty personnel using their earned-benefit home mortgages - by allowing temporary fee hikes to expire next April as scheduled.

We are writing now - both to oppose any effort to extend them during the lame duck (as Congress often looks for fees of this type as offsets) - but also to ask Congress to plan ahead to avoid extending the fees next April.

CHLA thanks you for your work in helping veterans nationwide. It is a challenging task, with an estimated 19 million US veterans entitled to and in need of various VA benefits. CHLA strongly supports maintaining this commitment to fully helping those who serve our country.

However, as you know, the Blue Water Navy fees have been used since 2019 for non-mortgage purposes, paying for other VA benefits. These higher fees are scheduled to expire in April next year.

CHLA's position for all federal housing programs is that insurance premiums should be established solely for the purpose of maintaining the health and financial integrity of the underlying mortgage program and should never be diverted for other purposes, however laudatory. In the case of Veterans Administration program, the guarantee fees are set well above what is needed for a true actuarial basis.

Therefore, Congress should not continue to charge unnecessarily high VA Mortgage loan fees. One outcome of the inflated fees is that today, a veteran using this program to buy their first home must pay 2.30% “insurance fee,” - and for a subsequent home, a 3.60% “insurance fee.”

As a result, VA home mortgage fees do not actuarially reflect the risk of this low-default program, one of the safest government-backed mortgages in the land.

Thus, we respectfully ask— on behalf of the veterans and active-duty families we serve -- that Congress take no action to continue these high VA mortgage fees. Allowing them to expire will save veterans and active-duty personnel nationwide some \$200 million annually.

We believe veterans and active-duty personnel should not have to pay twice for their earned benefit. The first time they pay for this earned benefit is through their sweat, and sometimes blood, in service to their nation. They should not have to pay again.

Thank you for your consideration of this request.

Sincerely,

The Community Home Lenders of America