14 April 2025

The Honorable Doug Collins
Secretary, US Department of Veterans Affairs
810 Vermont Avenue NW
Washington DC 20420

Dear Secretary Collins:

The Community Home Lenders of America (CHLA)[1] understands the Veterans Affairs Servicing Purchase (VASP) program, stood up by the prior Administration, has been announced to conclude as of May 1st. Unfortunately, no detailed instructions, guidance, and parameters have been remitted by the VA to the mortgage servicers and originators responsible for ensuring that the transition here is fair and understood by our veterans families directly affected.

Thus we write to urge you to protect our veterans and maintain an orderly mortgage servicing market in this key earned benefit program.

Given that VASP was just a final step in the mortgage modification waterfall, and that reaching all servicemember families (to advise of their status and options when it comes to their mortgages) can take several weeks, we urge a longer transition period to follow *once mortgage servicers are given detailed guidance here* (again, the lender/servicers have received no detailed guidance or in fact ANY information to help them properly advise veterans families of any imminent changes here):

- The VA should announce a new transition deadline of 60 days post VA's formal document/circular/handbook publication of this program change. There are likely thousands (maybe tens of thousands) of veterans who may qualify for VASP who haven't gone through the waterfall, and many who have been told they meet VASP qualifications but have not fully submitted documents to VA (and may not be able to within two weeks). As of today, these families know little or nothing of how the transition period will work or even that a transition period exists.

- As part of formal, detailed guidance, the VA must elaborate in writing what the VASP deadline actually means. As just one example - if there is key information missing from an existing application (or an issue with title, etc), VA should give the veteran and their servicer time to cure the fault if the application was submitted on time, rather than just deny the file. This is an area needing much more coordination between the VA and servicers.

[1] CHLA is the only national trade association focused exclusively on small and mid-sized independent mortgage banks (IMBs).

- The VA should meet physically and virtually with mortgage servicers post-publication of the detailed guidance docs to answer any questions and resolve any outstanding issues.

- The VA needs to notify veterans directly this is happening. Given the very short transition period, and the importance of this earned benefit, communications to our veterans should be a partnership between the VA and the mortgage lending/servicing community.

Thank you for your continuing work to ensure the nation cares for those who were willing to sacrifice everything.

Sincerely,

COMMUNITY HOME LENDERS OF AMERICA