



MORTGAGE BANKERS ASSOCIATION

May 19, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
The Capitol
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
The Capitol
Washington, D.C. 20515

The Honorable Mike Bost
Chairman
House Veterans' Affairs Committee
365 Cannon House Office Building
Washington, D.C. 20515

The Honorable Mark Takano
Ranking Member
House Veterans' Affairs Committee
2070 Rayburn House Office Building
Washington, D.C. 20515

Dear Speaker Johnson, Leader Jeffries, Chairman Bost, and Ranking Member Takano:

On behalf of the Mortgage Bankers Association (MBA), I write in strong support of Congressman Derrick Van Orden's *VA Home Loan Program Reform Act* (H.R. 1815), prior to its full House debate and consideration this afternoon (and evening) under suspension of the rules.

As the Department of Veterans Affairs (VA) phases out its Veterans Affairs Servicing Purchase (VASP) program by the end of the fiscal year, the need for a **permanent partial claim option** for the VA's Home Loan program has become particularly urgent. Without the swift legislative action that will be taken today, coupled with parallel Senate efforts and a subsequent implementation of authority by the VA, thousands of veteran homeowners recovering from temporary financial hardship face heightened foreclosure risk due to the absence of a sustainable and scalable loss mitigation option. We should not repeat the mistakes of the past when a viable VA loss mitigation option was terminated without a replacement, unfairly stranding veterans without the options available to all other government supported borrowers.

MBA has been deeply concerned that ending the VASP program without a viable replacement will result in more veterans at risk of losing their homes – and last week's [delinquency data issued by MBA](#) buttresses that case. Thankfully, the partial claim authority within H.R. 1815 offers a practical, permanent solution that aligns with existing programs across other government-insured and chartered housing programs, ensuring that veterans are not left behind during moments of financial stress. MBA appreciates your willingness – and that of both the majority and minority Members of the Committee and their staffs – to collaborate with engaged stakeholders on this important issue for our veterans.

Our association appreciates the meaningful refinements made to H.R. 1815 since an MBA witness (Carrington's Elizabeth Balce) provided testimony at the Economic Opportunity Subcommittee's March 11 hearing. Our association commends the Chairs and Ranking Members – and the committee staff involved – for their responsiveness to stakeholder input and continued collaboration on this critical legislation.

For example, H.R. 1815, as amended in in subcommittee and by the full Veterans' Affairs Committee reflects several improvements that MBA supports: (1) **clarifying that the partial claim shall not diminish the guaranty on the existing VA loan**; (2) **eliminating a proposal to charge interest on a remaining partial claim balance** – ensuring alignment with FHA and Fannie Mae/Freddie Mac program structures that treat partial claims or loan deferrals as non-interest-bearing junior liens; (3)

replacing a proposed fixed sunset date with a rolling five-year period post-enactment, which increases predictability for servicers and allows more borrowers to benefit from the program; (4) **increasing an initially proposed maximum claim amount to 30% of the unpaid principal balance**, providing parity with FHA and a broader safety net for distressed borrowers; and, (5) including provisions dealing with the **conditions for partial claims relief in the event of a natural disaster** declaration by the president.

These changes, many of which echo recommendations outlined in MBA's March testimony, represent real progress toward creating a partial claim solution that protects veteran borrowers, provides engaged servicers with greater clarity, and aligns with existing government-backed programs.

MBA Urges "Aye" Vote on H.R. 1815

MBA strongly supports the partial claims framework established by H.R. 1815, which was passed with bipartisan support by the full House Veterans' Affairs Committee on May 6. Accordingly, we urge all Representatives to vote **"Aye"** for H.R. 1815 during its floor consideration later today. The creation of a permanent partial claim program is a significant and overdue improvement that will, importantly, benefit veterans and the broader mortgage market.

Conclusion

MBA strongly supports this legislation — to provide VA borrowers with a long-overdue, effective, and stable loss mitigation option. Our association and its members will continue to work to ensure this legislation advances in the U.S. Senate and ensures a permanent partial claim option is sustainable and protects veteran homeowners and the long-term viability of the VA Home Loan Program.

We also look forward to working with Congress to help provide the VA with the resources necessary to implement the changes provided by H.R. 1815 that improve the delivery of the Home Loan Program benefit to our nation's heroes.

Thank you in advance for your consideration of the views expressed within this letter.

Sincerely,



Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: The Honorable Derrick Van Orden
The Honorable Chris Pappas
All Members, U.S. House of Representatives