

**Congress of the United States**  
Washington, DC 20510

June 12, 2024

The Honorable Denis McDonough  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, N.W.  
Washington, D.C. 20420

Dear Secretary McDonough,

We write regarding the U.S. Department of Veterans Affairs Home Loan Guaranty Program and urge you to allow it to best serve America's veterans.

Since its inception in 1944, the U.S. Department of Veterans Affairs (VA) Home Loan Guaranty Program has been a key tool in caring for the veterans and service members who sacrificed to protect our country. The VA Home Loan benefit allows the VA to guarantee part of a home loan for veterans, service members, and eligible surviving spouses, so they may purchase homes at a competitive interest rate. In 2023, VA home loans allowed 320,000 veterans to purchase homes<sup>1</sup>.

Currently, sellers traditionally offer compensation to buyer's brokers, allowing buyers to benefit from an agent's expertise and services without paying out of pocket expenses. Due to the recent changes in the real estate industry<sup>2</sup>, listings of homes for sale could no longer include upfront offers to buyer's agents, and buyers are now set to negotiate compensation upfront with their agents.

We are concerned that this change will limit a veteran's ability to retain their own buyer broker and therefore undermine the utility of this program. The prohibition of a veteran's ability to pay the compensation of their own agent or broker using a VA loan can push them to a less favorable loan product, leave them unrepresented in the buying process, or out of the market entirely. VA buyers should have the same flexibility and rights as others in the real estate market. While the announcement of a temporary lift on this prohibition was welcomed, it still does not offer enough certainty for the future of veteran home buyers.

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<sup>1</sup> U.S. Department of Veterans' Affairs, VA Home Loans,  
[https://www.benefits.va.gov/HOMELOANS/lender\\_state\\_volume.asp](https://www.benefits.va.gov/HOMELOANS/lender_state_volume.asp)

<sup>2</sup> National Association of REALTORS® Reaches Agreement to Resolve Nationwide Claims Brought by Home Sellers,  
<https://www.nar.realtor/newsroom/nar-reaches-agreement-to-resolve-nationwide-claims-brought-by-home-sellers>

Buyer brokers are an important tool for helping veterans close on a property. They provide critical support in multiple offer situations where veterans are competing against buyers with more flexible financing. The current policy language<sup>3</sup> will create potential conflicts where buyers are in a purchase contract when this ban is lifted. Additionally, this raises a concern about how a veteran under a purchase contract would be treated should the veteran desire to pay their buyer broker and whether that situation could put a veteran in legal jeopardy.

We believe that the VA must quickly address this policy shortfall and bring its loan program in line with its counterparts in the mortgage finance industry. We respectfully request that VA change its policies to give veterans the flexibility and ability to pay for representation should they choose to.

Please respond to the following questions no later than June 28, 2024.

1. Will the Department of Veterans Affairs review its policy barring fees or commission being paid using VA loans?
2. If a veteran uses part of their VA loan to retain an agent or a broker, what are the consequences for the veteran?

Sincerely,



Tracey Mann  
Member of Congress



Mark Alford  
Member of Congress



J. Luis Correa  
Member of Congress



Brittany Pettersen  
Member of Congress



Derrick Van Orden  
Member of Congress



Aaron Bean  
Member of Congress

<sup>3</sup> VA Handbook, Chapter 8. Borrower Fees and Charges and the VA Funding Fee. Pg 10.

<https://benefits.va.gov/WARMS/docs/admin26/handbook/ChapterLendersHanbookChapter8.pdf>



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