



# STATEMENT OF WOUNDED WARRIOR PROJECT

ON

## “A REVIEW OF VA’S SPECIALLY ADAPTIVE HOUSING GRANT PROGRAMS (SAH)”

SEPTEMBER 6, 2018

Chairmen Arrington, Ranking Member O’Rourke and distinguished members of the Subcommittee on Economic Opportunity – thank you for inviting Wounded Warrior Project (WWP) to submit the following testimony on our review and recommendations for improvements regarding the Department of Veterans Affairs’ Specially Adaptive Housing Grant Program (SAH).

Since our inception in 2003, we have grown from a small organization delivering comfort items in backpacks at the bedside of wounded warriors here in our nation’s capital to an organization of nearly 600 employees in more than 25 locations around the world delivering over a dozen direct-service programs to warriors and families in need. Through our direct-service programs, we connect these individuals with one another and their communities; we serve them by providing mental health support and clinical treatment, physical health and wellness programs, job placement services, and benefits claims help; and we empower them to succeed and live life on their own terms. We communicate with this community on a weekly basis and are constantly striving to be as effective and efficient as possible.

Over 119,000 service members, veterans, and their family support members are currently registered with Wounded Warrior Project, and the need is great and growing. Thus far in Fiscal Year 2018, we are averaging more than 1,200 new registrations per month. As these needs grow, however, so has the foundation of support for our mission. More than 6.5 million donors and 3.5 million social media followers are invested in the work we are doing and helping us care and advocate for post-9/11 wounded warriors.

As leading advocates for service members, veterans, and their families, WWP strives to fill any gaps in care that VA offers. One program where we have seen issues arise is the VA Specially Adaptive Housing Grant Program. VA’s Specially Adaptive Housing Grants provide allowances to service members and veterans with certain permanent and total service-connected disabilities. These grants help with the purchase or construction of

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an adaptive home or modifications of an existing home to help accommodate a disability. Eligible grantees include those who have lost the use of both arms and/or both legs, those who are blind in both eyes, and those who have certain severe respiratory injuries, or certain severe burns. The total amount of funds that an individual can use is currently \$81,080. A veteran or service member can access these funds up to three times and cannot exceed the capped amount.

Through our Independence Program (IP) and our Veterans Disability Benefits Services Team, WWP assists veterans and service members in need of home modifications for daily living if they do not qualify for VA SAH grants. This program is a long-term support program available to warriors living with moderate to severe traumatic brain injuries, spinal cord injuries, or other neurological conditions that impact independence. Assistance specific to home adaptations includes, but is not limited to, building ramps, increasing the size of hallways, and adding handlebars throughout the home. Additionally, WWP has partnerships with specialized neurological case management teams at Neuro Community Care and Neuro Rehab Management that provide individualized services. These teams focus on increasing access to community services, empowering warriors to achieve goals of living a more independent life and continuing rehabilitation through alternative therapies. In 2018, the Independence Program will deliver more than 200,000 hours of care to the nearly 700 enrolled warriors. If the VA SAH grant falls short in assisting a veteran or service member, WWP's Independence Program is there to help. The goal of any veteran service organization is to augment VA, not fill gaps where there are shortfalls.

Not only is WWP assisting veterans with special housing needs through our Independence Program but WWP has a team of VA disability benefit counselors helping warriors apply for VA SAH grants. To better understand the areas that are lacking in VA's SAH grant process, our national benefit assistance office polled WWP disability benefit counselors across the country. Using the information gathered from our poll, we were able to identify a host of issues regarding the SAH grant program. Some of these responses are listed at the end of this testimony. These issues range from the number of grants authorized each year to the difficulty in finding builders to work with the VA and its bidding process.

*Overview of the SAH Grant Process:*

The Veterans Benefits Administration (VBA) employees around 700 employees in regional offices across the country. These employees are responsible for executing the policy guidance received by the VA Central Office (VACO). These employees fall under the Construction and Valuation (C&V)/SAH Division. Their primary function is to provide assistance and administration for the VA Home Loan Program to include real estate appraisals, providing oversight of the Appraisal Processing Program (LAPP), and administration of the SAH program. C&V staff includes VA Staff Appraisers, Valuation Officers, Loan Specialists, and SAH Agents.

SAH Agents deliver the SAH grant benefit to veterans by meeting with veterans at their desired future place of residence. They assist by providing an overview of the grant, oversight of the building process, and processing of paperwork. SAH staff members will have access to the residence during its construction/renovation and will provide hands-on guidance and suggestions for home modifications to improve mobility and promote

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independence. The SAH Agent will provide project management during active construction projects and serve as the liaison between the veteran and building contractor. They will complete the project by conducting one final field review to assess the home and its adaptations.

Below are the top issues that were raised by our disability benefits team, veterans, and contractors that WWP interviewed.

*Grant caps for injuries that become progressively worse:*

Currently, VA authorizes SAH grants to an eligible veteran up to three times not to exceed the capped authorized amount of \$81,080. WWP understands that Congress needs to cap benefit amounts for budgetary reasons; however, this can lead to troubling lapses in care for severely wounded warriors. There are instances where severely wounded veterans who used the SAH grant to modify a home were left without assistance after their disability became worse. Additionally, it is not uncommon for veterans to spend their own funds to modify a home due to a variety of reasons. These costs can easily amount to over \$50,000 for a severely wounded veteran. Veterans who have maxed out the grant but need additional home changes because their injury deteriorates over time are not eligible for the SAH grant if they have already reached the cap. As an example, a bilateral amputee who walks using prosthetics and used SAH grants to adapt two homes at different periods of their life now requires a wheelchair to move. Because the veteran only used the grant twice, he *could* use it one more time; however, because he already used the total amount of funds authorized, he would be forced to pay out of pocket for the wheelchair adaptation.

As highlighted in our oral testimony, a colleague of ours, Ryan Kules was faced with a very similar issue. He bought a home in Maryland and used the SAH grant to modify the house to meet his needs. As a double amputee who lost his right arm and left leg in Iraq he had some unique requirements to modify this home for daily living. While the initial grant did help in addressing these needs, he was required to spend his own money to cover all the costs. In 2015, he decided to move to a more family friendly neighborhood. He sold the home that was purchased in 2009 but unfortunately, he could not recuperate the money spent on the adaptive changes. Although he did earn money in the sale due to earned equity, he learned that adaptive disability changes do not typically increase the value of the home. His needs were not different when purchasing his next home and unfortunately was required to spend the equity earned from the sale of his first house on making adaptive changes to his second home. He spent in excess of \$90,000, making the necessary changes to his second home. Currently, he can walk with the use of a prosthetic leg but uses a wheelchair at home. If his disability were to become worse, he would need to pay for a ramp and other wheelchair alteration to his current home. Because of this, he is limited in where and when he can move due to his disability. If his family were to grow, he would be faced with finding a new home to accommodate the need for more bedrooms. If he wanted to retire in a different city, he would need to spend money adapting the new home. Mr. Kules will need to adapt any home that he purchases and because of the extent of his injuries, costs in purchasing a new home will be extensive.

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Wounded Warrior Project recommends that Congress alter language to reinstate the grant if a service-connected disability deteriorates as the veteran ages. It is not uncommon for a young veteran to use the grant on their first home. As the wounds of service become worse, veterans and service members should not be expected to pay out of pocket for future home adaptations. We suggest the full benefit be reinstated to those in the program every ten years to accommodate moving and normal life changes. It is not reasonable to expect a veteran to buy a home and never leave over their entire life. This benefit is reserved for those catastrophically injured. These injuries will not go away over time. Therefore, this should be a lifetime benefit, not a one-time benefit.

*Confusing Language Regarding Eligibility on the VA Website:*

Understanding the online qualifications for VA’s SAH grants and other home adaptation programs are difficult to understand on VA’s website. Additionally, the classification of “severe burns” and other vague language as an eligibility criterion for admission into the grant program is not clearly defined. For individuals not accustomed to VA qualification language and disability definitions, eligibility into the SAH program can be daunting and difficult to navigate.

The excessive use of qualifying language such as “or,” in conjunction with vague language such as “certain severe burns” could convince eligible veterans that they are not authorized to use the SAH grant program. The website that hosts information regarding the VA Caregiver Program has a tool that allows veterans and family members to answer specific questions through an online questionnaire to determine possible eligibility<sup>1</sup>. WWP recommends that VA develop a similar tool to help determine eligibility for SAH grants.

There is also confusion regarding eligibility requirements published in the Code of Federal Regulations, the VA’s M26-12

Specially Adapted Housing (SAH) Grant

Eligibility	Living Situation	Ownership	Number of Grants You Can Use
<ul style="list-style-type: none"> <li>• Loss of or loss of use of both legs, <b>OR</b></li> <li>• Loss of or loss of use of both arms, <b>OR</b></li> <li>• Blindness in both eyes having only light perception, plus loss of or loss of use of one leg, <b>OR</b></li> <li>• The loss of or loss of use of one lower leg together with residuals of organic disease or injury, <b>OR</b></li> <li>• The loss of or loss of use of one leg together with the loss of or loss of use of one arm, <b>OR</b></li> <li>• Certain severe burns, <b>OR</b></li> <li>• The loss, or loss of use of one or more lower extremities due to service on or after September 11, 2001, which so affects the functions of balance or propulsion as to preclude ambulating without the aid of braces, crutches, canes, or a wheelchair *</li> </ul>	Permanent	Home is owned by an eligible individual	Maximum of 3 grants, up to the maximum dollar amount allowable

Specially Adapted housing Grant Processing Procedures manual<sup>2</sup>, and Public Law 112-154<sup>3</sup>. Currently, the SAH program is separated into two different groups. The permanent program has one set of disability requirements and the second “extended program” has a separate set of requirements. Additionally, the extended program must be

<sup>1</sup> [https://www.va.gov/healthbenefits/resources/caregiver\\_eligibility\\_check.asp](https://www.va.gov/healthbenefits/resources/caregiver_eligibility_check.asp)  
<sup>2</sup> [https://www.benefits.va.gov/WARMS/M26\\_12.asp](https://www.benefits.va.gov/WARMS/M26_12.asp)  
<sup>3</sup> <https://www.gpo.gov/fdsys/pkg/PLAW-112publ154/html/PLAW-112publ154.htm>

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reauthorized each year by Congress and only 30 grants are authorized in a given fiscal year. This nonconformity causes much confusion to those unfamiliar with the SAH program or VA benefits.

Wounded Warrior Project recommends that VA clearly define on its website what “certain severe burns” and other vague language or indicate where a veteran, service member, or advocate may locate these definitions. WWP also recommends VA update the online website to clearly include the expansion programs disability requirement and clearly explain the differences between both sets of requirements. Lastly, WWP recommends the Federal Regulation, VA Procedures Manual, and Public Law be reviewed and updated.

*Limiting usage of the SAH Program to three times:*

Service members and veterans are authorized to use the grant program a total of three times. Additionally, there is a cap on this benefit of \$81,080. As disabilities worsen and families move, it is possible that a veteran will need to use this program more than a total of three times. If a veteran is injured when they are 20 years old and use the SAH grant to build their first home, it is unreasonable to assume that this veteran will not move more than three times before the end of their life. According to a 2016 census study, homeowners will move on average of five times in their life. Renters will move on average of 23 times in their life<sup>4</sup>. Additionally, many former service members end up working for the federal government. These positions can require multiple changes of duty station over their civil service career. WWP recommends removing the condition that a service member or veteran may only use the benefit three times. Given that there is a monetary cap to the benefit, we see the additional criteria of limiting the number of times an individual can use the grant as arbitrary and unnecessary.

*Contractors dealing with VA red tape:*

After talking with multiple contractors who built homes for disabled veterans that utilized the VA SAH grant, numerous issues were highlighted that need to be addressed by VA. The most frustrating aspect of the grant process between the contractor and veteran seems to be the Pre-Grant Approval process. For a veteran to be approved for a “pre-grant,” they must have a proposed house plan to show the VA. To get a housing plan drawn up by a contractor requires the veteran to obtain monetary backing from a financial institution. To gain this financial backing, the contractor must provide the veteran with a price quote for the construction of the home. These quotes are set for a given amount of time and are tied into the construction loan through the financial institution. These price quotes do not last an indefinite amount of time due to the cost of lumber and other building supplies.

Once the veteran has obtained financing and building plans, they must go to the VA for the Pre-Grant Approval Process. During this Pre-Grant Approval Process, the lot/housing unit inspection must be completed within **30-business days** of the initial interview. After which, the financial and medical feasibility determinations must be made within **20-business days** from the date of the lot/housing unit inspection. Once that is complete,

<sup>4</sup> <https://www.census.gov/newsroom/blogs/random-samplings/2017/01/mover-rate.html>





the results of the study must be communicated to the veteran within **10-business days** of finalizing the review. This entire process can take as long as two months before the veteran learns if the grant is approved or denied.

Contractors that we spoke with explained that many times the price quote becomes void before the VA can complete this process. This requires the veteran to return to the builder, obtain a new price quote, go back to the financial institution and update the home loan, and then resend the documents to the VA. This creates much consternation between the veteran and the contractor. Wounded Warrior Project recommends that VA becomes more conversant and an expert in the building process and adapt its approval timeline to match industry standard. It is important to note that this is only for the Pre-Grant Approval process. The veteran and contractor must also submit additional paperwork to reach the “conditional approval status” which can take even longer as the VA Central Office is the only grantor of this status. This conditional approval is “property specific” so if the VA takes too long, and the lot is sold, or the contractor backs out due to excessive VA red tape, the veteran must start over again.

Another complaint address by builders is when the VA releases payment of funds to the contractor. Most contractors will draw from the financial institution's loan fund each month to cover the future months building costs. This is done industry-wide. With the VA SAH grant, the builder is required to carry the initial construction costs until after the final home review. Only then will the VA release the SAH grant to the veteran/contractor. With the additional VA paperwork, a government non-contractor project manager as additional oversight, and the added financial burden of covering the financial costs for the veteran before being reimbursed by the VA, there are little incentives for a contractor to accept a SAH grant. In fact, of all the contractors we talked with, none stated they would accept another SAH grant applicant. This is a concern for Wounded Warrior Project. Veterans who reside in rural areas will have fewer options in obtaining a contractor bid. WWP recommends VA review its application and oversight process to incentives builders to work with veterans and be careful not drive them away. One possible solution is for the VA to build out a “pre-selected/pre-approved” national builder list of contractors that have already been vetted by the VA. VA currently pre-vets schools for veterans using the Post-9/11 GI Bill and Vocational Rehabilitation programs.

*The limitation of 30 grants each Fiscal Year:*

Currently, VA authorizes 30 “expanded” SAH grants each year. This expansion allows SAH grants for individuals that are blind, those who have lost the use of both hands, and those with other qualifying disabilities as defined by VA<sup>5</sup>. If VA receives more than 30 grants in a given fiscal year (FY) these applicants must reapply during the next year’s cycle. According to VA, “[t]he cap for FY 2018 was reached in November 2017. Servicemembers or Veterans that have the qualifying disabilities to be rated eligible, but did not receive one of the 30 grants due to the cap being reached, may be able to utilize this benefit in FY 2019 or future years if the authority is continued by law, and provided the new FY cap is not also surpassed<sup>6</sup>.” With a maximum of 30 grants each fiscal year, and assuming that each grant is maxed out at \$81,080, the total amount of funds that would be

<sup>5</sup> <https://www.gpo.gov/fdsys/pkg/PLAW-112publ154/html/PLAW-112publ154.htm>

<sup>6</sup> <https://www.benefits.va.gov/homeloans/adaptedhousing.asp>

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spent on this expanded program any given FY would be \$2,432,400 nationwide. It is obvious that the need is much larger than the program can authorize given that in FY 2018, VA reached its authorized 30 grants in November of 2017. That meant the total grants allotted were reached in the second month of the fiscal year. This is very problematic and must be addressed.

The SAH grant is not costly in comparison to other veteran benefit programs. It is also a benefit that is critical for those with the most severe injuries in that it gives some semblance of normality to these veterans. By turning away veterans who are in need of the SAH benefit only because of an arbitrary cap is dishonoring the sacrifices these veterans made in service to this country. WWP recommends removing the 30 limit and assisting all service members and veteran who need to adapt their homes due to service connect severe injuries. Additionally, this extended SAH benefit must be reauthorized each year. We recommend the extended program become permanent to ensure stability in this critical veteran benefit.

The VA Specially Adaptive Housing Grant assists the most critically ill, injured, and Wounded Warriors find solitude in their homes as they transition from service into the civilian world. Although it has great intentions, Wounded Warrior Project believes the VA is correctly implementing the intent of the SAH program. Complaints regarding excessive wait times, overburdensome red tape, and vague language continually pushing veterans and contractors away from its utilization<sup>7</sup>. There is a need for oversight as contractors have been known to take advantage of veterans. However, the current process is pushing good contractors away which can be just as harmful to the veteran. We hope that with this testimony, we can bring light to some of the issues veterans and contractors face when dealing with VA SAH grants. If we were to make one recommendation, we would ask that Congress reauthorize the benefit for veterans who have disabilities that become worse every ten years. Many of the issues in this testimony can be addressed by VA internally, however, Congressional approval is needed to expand the benefit.

Wounded Warrior Project thanks the Subcommittee on Economic Opportunity, its distinguished members, and all who have contributed to the policy discussions surrounding VA's SAH benefit under review at today's hearing. We share a sacred obligation to serve our nation's veterans, and WWP appreciates the Subcommittee's effort to identify and address the issues that challenge our ability to carry out that obligation as effectively as possible. We are thankful for the invitation to testify and stand ready to assist when needed on these issues and any others that may arise. If you have any additional questions, please feel free to reach out to our Government Relations in D.C.

<sup>7</sup> <http://www.unionleader.com/veterans/Disabled-vet-has-VA-cash-but-no-contractor-for-accessibility-addition-01052017>

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*Supplementary Questions for VA:*

In addition to the issues addressed above, Wounded Warrior Project has compiled a list of questions and comments brought up by our benefits counselors and interviews with veterans and contractors. Wounded Warrior Project recommends these questions be reviewed and answered by the VA or any other appropriate party.

1. Would it be more cost-effective to have SAH Agents in all VA regional offices and not just in the Hawaii regional office and 9 VA Regional Loan Centers?
2. Why are SAH Agents responsible for the medical and financial feasibility assessments and what is the criteria for hiring SAH Agents?
3. Why are veterans and builders expected to do so much work up front to obtain conditional approval for which both parties incur expenses when the VA will not provide guaranty or warranty of any structural changes to the building and stays out of any litigation should it arise?
4. It is not fair that if the grant process is terminated after a veteran meets the criteria for conditional approval, but the amount is never paid, it will count as one of the three grants uses under 38 C.F.R. §36.4403. Why is the VA policy written as such?
5. What happens to homes built using SAH/SHA grants that are damaged by natural disasters? Apart from FEMA-based flood insurance requirements, and access to Veterans Mortgage Life Insurance, there seem to be no protections in place for adapted homes that have been affected by damage from natural disasters.
6. According to the VA FY 2019 / FY 2017 Annual Performance Plan and Report (APP&R) Loan Guaranty section for Specially Adapted Housing grantees who believe adaptation obtained under the program has helped them live more independently (VBA #653), during FY 2017, the Specially Adapted Housing Survey was not administered, nor will it be administered in FY 2018. As such, and in consideration that this metric has been removed for external reporting purposes, no baseline is available for FY 2018, nor will any survey results be reported. Therefore, how can VA accurately determine the success of the program without any measurable metrics?
7. How often do veterans have to pay out-of-pocket to have the adaptations completed?







8. Why does the VA provide no recourse or support for veterans whose homes experience construction issues after all funds have been disbursed, and why are builders who are found to have performed sub-par work after-the-fact not sanctioned by the VA?
9. What is the claim processing time frame from application submission to the construction of the home? It is impossible to determine based on review of the M26-12; however, there are at least four months of obtaining various approvals before a bid is even considered, and longer before a contract is obtained. Does this long and complicated process, for which the VA wants total involvement unless something wrong happens, contradict the intent of the legislation?
10. Do all the requirements that come as part of the grant application procedure discourage veterans in need from obtaining benefits they are entitled to by law?

