



**Statement for the Record from Paul Vincent, President, USAA Federal Savings Bank
to the U.S. House Committee on Veterans' Affairs Subcommittee on Economic
Opportunity for a Legislative Hearing on Pending Legislation
March 20, 2024**

On behalf of the United Services Automobile Association (USAA) and our more than 13 million members of the U.S. military, veterans who have honorably served, and their families, thank you for convening today's hearing to discuss legislation to strengthen veterans' economic security and financial well-being. We appreciate the opportunity to provide this statement of support for H.R. 6225, the bipartisan *Expanding Home Loans for Guard and Reservists Act*.

USAA is a membership association that serves members of the military community, including active duty, guard, reserve, retired and honorably separated and their families. Since our founding in 1922 by 25 U.S. Army officers, USAA has pursued a mission of empowering financial security through competitive products, exceptional service, and trusted advice. In our second century of service, we remain focused on meeting our members' needs through every stage of life – from joining the military to buying a home to retiring.

USAA employs approximately 37,000 people globally, and nearly 24% of our employees identify as veterans, servicemembers, or military spouses. USAA's Military Affairs team, which has over 1,400 years of combined military experience, includes more than 40 representatives who operate on and near major military installations and advocate for servicemembers' financial readiness.

Serving our members through the VA Home Loan Guaranty Program is an important component of our mission to serve military families and has allowed generations of veterans, servicemembers, and their families to achieve their dreams of homeownership. The VA loan program provides significant benefits for eligible borrowers, including 100% loan-to-value for purchases and the ability to avoid Private Mortgage Insurance.

However, there are opportunities for policymakers and the Department of Veterans Affairs (VA) to address persistent obstacles that challenge borrowers' ability to effectively take advantage of this earned benefit. We commend the Committee's ongoing focus on these issues. Last Congress, we were pleased to support P.L. 117-308, the *Improving Access to the VA Home Loan Benefit Act*. By directing the VA to consider improvements to its appraisal process and related requirements, this new law will help level the playing field for VA borrowers, who are often disadvantaged compared to conventional borrowers.

In addition to appraisal-related improvements, there are also opportunities to improve program eligibility challenges. We thank Representatives Jen Kiggans (R-VA) and Pat Ryan (D-NY) for reintroducing H.R. 6225, the *Expanding Home Loans for Guard and Reservists Act*. This bill will expand eligibility for VA home loans by enabling members of the Guard and Reserves to receive full credit toward their entitlement for time served on active duty training.

Servicemembers in the National Guard and Reserves make significant sacrifices to serve our country while balancing the demands of civilian employment and family life. For many, reporting for duty may result in reduced income. With deployments averaging between 6 and 12 months and sometimes coming without notice, income reductions can impose financial stress and

make budgeting especially difficult. Navigating the complexities of Guard and Reserve benefits can lead to additional stress. As one of our retired Air Force Reservist employees aptly stated, “Part-time service often equates to full-time stress.” And regardless of time spent performing active duty service, Guard and Reserve members make a full-time commitment to military readiness and standards.

In some instances, Guard and Reserve members who have not met the minimum active duty service requirements may be unaware that they lack full entitlement for the VA home loan program until they are deep into the homebuying process. This is a particularly devastating experience that compounds the other inherent challenges of the dual military-civilian lifestyle.

As Reps. Kiggans and Ryan note, H.R. 6225 will help ensure that all men and women in uniform, including Guard and Reserve members, can access the benefits they have earned through service to our nation. We look forward to consideration of H.R. 6225 during a future Committee markup and urge your support.