

**STATEMENT OF
MR. KENNETH SMITH,
EXECUTIVE DIRECTOR, EDUCATION SERVICE,
VETERANS BENEFITS ADMINISTRATION (VBA)
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
U.S. HOUSE OF REPRESENTATIVES**

JANUARY 21, 2026

Good afternoon, Chairman Van Orden, Ranking Member Pappas, and distinguished members of the Subcommittee. Thank you for inviting us here today to present our views on bills affecting VA's programs and benefits. Joining me today is Ms. Chantile Stovall, Acting Executive Director of Veterans Readiness and Employment (VR&E) Service.

H.R. 982 Warriors to Workforce Act

This bill would amend 38 U.S.C § 3313(g)(3)(B) to increase the amount of monthly housing allowance paid to an individual pursuing a full-time program of apprenticeship or other on-job training using educational assistance under chapter 33, from 80% to 90%, during the second 6-month period of the program.

VA supports the intent of this bill, however is unable to assess the impact to budgetary resources and therefore will follow up with the committee once this evaluation is complete or CBO has provided a score.

VA does not have a cost estimate for this bill.

H.R. 2878 Daniel J. Harvey, Jr. and Adam Lambert Improving Servicemember Transition to Reduce Veteran Suicide Act

Section 2(a)(1) of this bill would amend 10 U.S.C. § 1142(b) to add information concerning mental health to the list of matters for which the spouse is included (at the discretion of the Service member and the spouse) during pre-military separation counseling.

Section 2(a)(2) would amend 10 U.S.C. § 1142(b) to require the Department of War (DoW) to cover the following mental health information during pre-military separation counseling:

- (1) The availability of mental health services furnished by the appropriate branch of service, DoW, VA or a non-profit entity;
- (2) The treatment of post-traumatic stress disorder (PTSD), traumatic brain injury, anxiety disorders, depression, chronic pain, sleep disorders, suicidal ideation, or other mental health conditions associated with service in the Armed Forces;
- (3) The risk of suicide, including signs, symptoms, and risk factors (including adverse childhood experiences, depression, bipolar disorder, homelessness, unemployment, and relationship strain);
- (4) The availability of treatment options and resources to address substance abuse, including alcohol, prescription drug, and opioid abuse;
- (5) The potential effects of the loss of community and support systems experienced by a member separating from the Armed Forces;
- (6) Isolation from family, friends, or society; and
- (7) The potential stressors associated with separation from the Armed Forces.

Section 2(b) would amend 38 U.S.C. § 6320(b)(1) by requiring the VA Solid Start (VASS) program to assist eligible Veterans who elect to enroll in the patient enrollment system and to educate Veterans about mental health and counseling services available through the Veterans Health Administration (VHA).

Section 2(c) would require DoW and VA to jointly submit a report to Congress on the information and materials developed pursuant to the amendments made by this bill.

VA defers to DoW on sections 2(a)(1) and 2(a)(2) of this bill.

VA supports the intent of section 2(a)(2) to provide separating Service members information to address mental health issues but has concerns this information is redundant with information that is already provided as part of the Transition Assistance Program (TAP).

VA, in coordination with DoW, currently provides information on VA mental health care including specialized treatment for PTSD, effects of military sexual trauma (MST), depression, grief, anxiety, substance use disorders, women's reproductive mental health problems, and other needs.

Pre-military separation counseling informs separating Service members of the Separation History and Physical Examination (SHPE) (provided by DoW) and Separation Health Assessment (SHA) and required online Mental Health Assessment; DoW's inTransition, which is a free and confidential program that provides specialized coaching and resources to Service members transitioning between mental/behavioral health care providers or systems; Veterans and Military Crisis Line; suicide prevention resources; and TRICARE Mental Health Care and other health plans.

Additionally, VA specifically addresses mental health (to include PTSD) and suicide prevention resources during the mandatory VA Benefits and Services Course, Module 2: Maintaining Your Health. VA provides an overview of VA mental health care services; explains why mental well-being is important; describes the mental health care services that VA provides; discusses ways to maintain mental health; discusses suicide warning signs, risk factors, and prevention; provides a list of available mental health programs and resources; and provides a link to VA mental health and substance abuse programs.

In addition to the VA Benefits and Services course, which gives a broad overview of available resources, Service members and their families may access Military Life Cycle (MLC) modules. MLC modules are 45- to 60-minute information sessions that may be taken at any time throughout a Service member's career. They are especially valuable after major events like permanent changes of station, marriage, or the birth of a child. Each MLC module addresses a specific in-depth topic such as benefits, education, home loans, life insurance, social and emotional health resources, integration into a civilian community, or survivor and casualty assistance.

H.R. 4105 Veterans Energy Transition (VET) Act of 2025

This bill would repeal 10 U.S.C. §§ 1152 and 1153 and insert a new 10 U.S.C. § 1152 to establish a Department of Labor (DoL) grant program, in consultation with the Transition Executive Committee, to support employment of separating Service members, Veterans, and their spouses in the energy industry.

Grants would reimburse eligible energy-sector employers for allowable hiring-related costs, subject to per-hire and per-grantee award limits, and would prioritize covered individuals with barriers to employment or relevant experience, including those who were involuntarily separated, who are residing in qualified opportunity zones, or who have a service-connected disability, are homeless, or face other significant barriers to employment.

The bill would require grantees to agree to submit reports and comply with audits; require DoL to coordinate with DoW and VA regarding transition programs to avoid duplication, promote the grant program to covered individuals, and submit a report regarding such coordination to appropriate congressional committees; and direct DoL to provide an evaluation to Congress by September 30, 2030. The bill would authorize \$60 million annually for fiscal years (FY) 2026 through FY 2031, with administrative costs

capped at 15%, and would require coordination plans within 180 days and 1 year of enactment.

VA appreciates the intent of this bill. However, because the proposal establishes a new DoL-administered grant program, VA defers to the Department of Labor's concerns regarding potential duplication with existing workforce programs and the feasibility and implementation risks associated with the bill's design.

Additionally, while VA supports the intent of this bill, VA notes that the VR&E Chapter 31 program already covers required training costs necessary for participants to obtain suitable employment.

H.R. 5634 Veterans Flight Training Responsibility Act of 2025

This bill would amend 38 U.S.C. § 3313(g)(3)(C) to limit the amount of educational assistance payable for flight training under the Post-9/11 GI Bill. This bill would establish a \$100,000 maximum total amount payable under Chapter 33 for flight training fees for an individual pursuing a flight training program offered by a public institution of higher learning (IHL) and would apply to individuals who first pursue a program of flight training on or after August 1, 2026. For each fiscal year, the Secretary would have to provide a cost-of-living percentage increase in the maximum amount payable.

VA opposes this bill.

VA supports expanding flight training opportunities at flight schools for Veterans and their dependents, particularly at our states' many great public IHLs. VA recognizes the need for the United States to have a robust pipeline for flight training. This bill does the opposite by placing an arbitrary limit on the amount of Post-9/11 GI Bill entitlement

payable for an individual who pursues flight training offered by a public IHL, beginning with individuals who first pursue flight training on or after August 1, 2026.

VA does not have a cost estimate for this bill.

H.R. XXXX Centralized Reimbursement for Upgraded Innovative Service Equipment (CRUISE) Act

Section 2(a) of this bill would amend 38 U.S.C. § 3902, which generally requires VA to provide or assist in providing an automobile or other conveyance to eligible persons, by redesignating current subsection (a) as subsection (a)(1) and adding a new paragraph (2). New § 3902(a)(2)(A) would require VA to make payments under this section in compliance with 31 U.S.C. § 3903(a), which generally requires the Office of Management and Budget to prescribe regulations regarding required payment dates. New § 3902(a)(2)(B) would require VA to publish the number of days required to process any payment under this section that is not processed within 30 days.

Section 2(b) of this bill would also add a new subsection (f) to 38 U.S.C. § 3902. New § 3902(f)(1) would require that the process for making payments to sellers under this section be centralized within VA Central Office (VACO). New § 3902(f)(2) would require VA to develop a process to accurately track and resolve payments due to sellers under this section that have been outstanding for longer than 90 days.

VA supports the intent of this bill with amendments, however is unable to assess the impact to budgetary resources and therefore will follow-up with the committee once this evaluation is complete or CBO has provided a score.

This bill would improve the timeliness, transparency, and accountability of VA payments to automobile sellers for vehicles purchased on behalf of certain severely disabled Veterans. This bill would directly address implementation efficiency while strengthening vendor relationships and protecting Veterans' automotive benefits.

The bill would first require that payments under 38 U.S.C. § 3902 be made in compliance with 31 U.S.C. § 3903(a), effectively aligning VA's automobile allowance payments with the government-wide Prompt Payment Act regulatory framework, which includes clear rules on when invoices are deemed received and required payment due dates. This would promote timely disbursement and reduce the risk that delayed payments will discourage dealers from participating in VA's automobile program, which can otherwise limit Veterans' choices or delay their receipt of a suitable vehicle.

The bill would also require VA to publish the number of days required to process any payment under § 3902 that is not processed within 30 days, introducing a targeted transparency mechanism that would create internal performance pressure and enable stakeholders to identify and address systemic bottlenecks without changing the underlying benefit entitlement. The bill would mandate that the process for making payments to sellers under § 3902 be centralized within VACO and that VA develop a process to accurately track and resolve payments outstanding for more than 90 days, which would standardize practices, reduce regional variation, and create a formal mechanism for monitoring and clearing aged obligations.

Collectively, these provisions are operational in nature and do not expand eligibility or increase benefit amounts. This bill would regulate payment processes in a way that should improve vendor participation, reduce the risk of late or lost payments, and safeguard timely delivery of critical mobility benefits to eligible Veterans.

Also, as drafted, the bill is unclear if the new reference to 31 U.S.C. § 3903(a) would make VA responsible for interest penalties covered under 31 U.S.C. § 3902. We suggest that Congress add more precise language regarding this issue.

In terms of automobile benefits more generally, VA reiterates its recommendation to this Subcommittee from March 11, 2025, to enact other changes regarding automobile adaptive equipment (as would be made by the Automotive Support Services

to Improve Safe Transportation Act of 2025, H.R. 1364), with VA's recommended edits. VA remains available to provide technical assistance or other support as needed in this regard.

VA does not have a cost estimate for this bill.

H.R. XXXX Eliminating the Maximum Authorizations of Appropriations for Certain Benefits for Homeless Veterans and Making Permanent the Authority to Carry Out Certain Programs for Homeless Veterans

Section 2 of this bill would remove the authorization of appropriations limits in several provisions of 38 U.S.C. Ch. 20 regarding various programs for homeless Veterans. Specifically, it would authorize to be appropriated such sums as may be necessary for the Grant and Per Diem (GPD) program under 38 U.S.C. §§ 2011-2016, the Homeless Veterans Reintegration Program under 38 U.S.C. § 2021, the Homeless Women Veterans and Homeless Veterans with Children Reintegration Grant Program under 38 U.S.C. § 2021A, the Supportive Services for Veterans Families (SSVF) program under 38 U.S.C. § 2044, the GPD Special Needs Grant program under 38 U.S.C. § 2061, and technical assistance grants for non-profit community-based groups under 38 U.S.C. § 2064.

Section 3 would remove the sunset provisions for various programs for homeless Veterans in the same chapter, including the Health Care for Homeless Veterans (HCHV) program under 38 U.S.C. § 2031, homeless service centers under § 2033, housing assistance for homeless Veterans under 38 U.S.C. § 2041, and the Advisory Committee on Homeless Veterans under 38 U.S.C. § 2066. It would also remove a similar provision regarding the transfer of real property under 38 U.S.C. § 8118.

VA supports making permanent the Health Care for Homeless Veterans Program and the overall intent of this bill while deferring to DoL regarding the

proposed amendments to 38 U.S.C. §§ 2021 and 2021A, as DoL administers these authorities.

Consistent with the President's commitment to end Veteran homelessness, VA appreciates the changes proposed in this bill to ensure VA is able to maintain momentum through providing continuity, reducing administrative friction, and enabling long term, outcome-focused planning across the Department's homeless portfolio. VA would like to work with the Committee to find an alternate solution to the "such sums" language to ensure VA can continue to be fiscally accountable and properly execute funding as Congress intends. VA defers to DoL regarding the proposed amendments to 38 U.S.C. §§ 2021 and 2021A, as DoL administers these authorities. We note for the Committee's awareness that VA would continue to enforce strict performance metrics on grantees, even with this extended authority.

Specifically, section 2 would eliminate the maximum authorization of appropriations limits for GPD and SSVF would allow VA to align funding decisions more effectively with demonstrated need, regional cost variation, and emerging trends such as rising housing costs, aging and vulnerable Veteran populations, and increasing health complexity. The statutory authorization cap creates program execution problems during short-term continuing resolutions which can result in delayed grants, slowed obligations, and paused services, which are extremely disruptive to the homeless Veteran population. Importantly, this change would not mandate spending but would enable a more responsive and data-driven allocation of resources.

Similarly, VA supports section 3, which would make permanent VA's authority to carry out the Health Care for Homeless Veterans program, requested in the President's Budget, and homeless assistance authorities. These programs have existed for decades and have been reauthorized multiple times, demonstrating their established role and continued Congressional support. Permanent authorization would enhance administrative efficiency, support long-term planning, and promote sustained

collaborations with community providers, while allowing VA to focus on delivering services and improving outcomes for homeless veterans.

VA has technical edits to this bill that VA would appreciate the opportunity to share with the Committee.

The costs for these programs are already assumed in VA's discretionary baseline.

H.R. XXXX Improving Mental Health Care and Coordination for Homeless Veterans Act

Section 2 of the bill would add a new 38 U.S.C. § 2070 regarding the assessment of Veterans needing homeless program services. Proposed § 2070(a) would require VA homeless program employees, not later than 3 days after the date on which the employee identifies a Veteran as needing homeless program services, to conduct an assessment of the Veteran that includes an assessment of the physical and mental health needs of the Veteran, a plan to address the immediate and long-term mental and physical needs of the Veteran, and an identification of appropriate housing in which to place the Veteran. Proposed § 2070(b) would require the homeless program employee who conducts an assessment under subsection (a) to ensure that the information collected as part of the assessment is consistent with the information included in the Veteran's electronic health record (EHR) and that personally identifiable information (PII) is collected and maintained in accordance with VHA policies, Federal law, and ethical practices. Proposed § 2070(c) would require the Director of the Homeless Program Office (HPO) to ensure that appropriate homeless program employees monitor the implementation of the plans developed pursuant to subsection (a)(2) to ensure that Veterans who are homeless and at-risk for homelessness and who have mental health issues are getting the appropriate level and scope of services needed to address their immediate and long-term care and support needs.

VA appreciates this bill but would like to work with the committee to assess how this proposal interacts with current VA policies.

VA supports efforts to ensure that Veterans experiencing homelessness are properly assessed and connected to necessary care. However, VA believes that the bill duplicates existing authorities and procedures. This proposal would, in part, duplicate requirements already established by 38 U.S.C. § 2068, which requires VA, not later than 2 weeks after certain Veterans enter into an HPO program, to offer these Veterans a mental health consultation to assess the health needs of, and care options for, these Veterans. Congress enacted this authority just over 3 years ago, and VA has sought technical amendments to this (and a corresponding provision in 38 U.S.C. § 1167 (regarding mental health consultations)) to allow VA to implement these authorities more effectively. VA would welcome the opportunity to discuss these issues and recommended changes with the Committee.

Currently, VA conducts comprehensive assessments for all Veterans identified as homeless to determine their health care needs; these assessments are in addition to the offer of a mental health consultation as required by 38 U.S.C. § 2068, described above. These assessments encompass evaluations of physical and mental health, enabling us to devise suitable plans for addressing both immediate and long-term needs. VA's established processes ensure that Veterans are promptly connected to housing, primary care, and mental health services tailored to their specific needs. In addition, VA is coordinating an extensive initiative to develop a by-name list of all Veterans experiencing homelessness in America. This effort, which includes extensive outreach to Veterans, aims to further refine our systems, ensuring that no Veteran is left without the essential housing and health care resources they deserve.

In addition, VA has technical concerns with the bill. For example, regarding subsection (a), the bill refers to "an employee of the homeless program of the Department" who "identifies a veteran as needing homeless program services," but it is

not always a VA employee who identifies the need for VA homeless program services, and even when a VA employee is involved, it may not be an employee assigned to HPO.

Regarding subsection (b), not all VA homeless programs participate in, or have access to, the EHR system directly. For example, the SSVF program is a grant program primarily operated by non-profit community organizations. These grantees do not have access to, or input data directly into, VA's EHR system. In addition, not all Veterans who are eligible for VA homeless programs are eligible for VA health care, creating further challenges in including this information in the EHR.

Regarding subsection (c), while HPO provides ongoing national coordination and tracking mechanisms to support care coordination, the monitoring of these plans is more effectively handled at the Veterans Integrated Service Network (VISN) or VA medical center (VAMC) level rather than at the HPO level. Localized monitoring ensures the unique needs of Veterans within different regions are appropriately addressed, leveraging the insights and expertise of VISN and VAMC staff who are familiar with their specific Veteran populations and local community resources. This decentralized method facilitates more responsive and tailored interventions, enhancing the overall effectiveness of HPO services.

VA is also concerned with the requirement to conduct an assessment within 3 days, as this is not feasible for connecting Veterans to primary care and developing a long-term health care plan.

Finally, we note for awareness an issue common to VA homeless programs. Congress has established a separate definition of "veteran" in 38 U.S.C. § 2002(b) for certain VA homeless programs (specifically, the GPD program, the SSVF program, and the GPD Special Needs program under 38 U.S.C. §§ 2011-2013, 2044, and 2061, respectively). This definition applies to the Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) program as well. This bill would not

amend 38 U.S.C. § 2002(b) to include the proposed § 2070, so VA would rely on the general definition of “veteran” in 38 U.S.C. § 101 in interpreting this new authority. This would create confusion, as the definition in § 101 is narrower than the definition in § 2002(b); this would mean that certain Veterans to whom VA can provide services under the GPD, SSVF, GPD Special Needs program, and HUD-VASH program would not be included within the requirements of § 2070. We would welcome the opportunity to discuss with Congress how best to address this concern.

VA supports the intent of this legislation to improve care coordination and outcomes for homeless Veterans. We note for awareness that VBA plays a critical role in supporting VA’s homeless programs through:

- Targeted Outreach: VBA currently engages Veterans at risk of or experiencing homelessness to connect them with benefits and services.
- Information Accessibility: VBA provides forward-facing resources on VA.gov, which provides guidance on benefits and housing assistance.
- Collaborative Partnerships: VBA’s Homeless Coordinators also work collaboratively with VHA’s Homeless Coordinators as well as with Federal, state, and local agencies, employers, housing providers, and faith-based nonprofits to expand employment opportunities and affordable housing options for Veterans exiting homelessness.

This collaborative approach complements VHA’s clinical and housing interventions, ensuring Veterans receive comprehensive support during their transition to stability. VBA anticipates no significant operational impact from this legislation but remains committed to continued coordination with VHA and external partners to achieve the bill’s objectives.

VA does not have a cost estimate for this bill.

H.R. XXXX Improving Emerging Tech Opportunities for Veterans Act

Section 2 of this bill would require VA to partner with critical stakeholders (entities in the private sector that have an interest in supporting Veterans to pursue education programs involving emerging technologies, such as employers in relevant industries, educational institutions offering relevant programs, and non-profit organizations) to identify specific types of industries and positions that, as a result of emerging technologies, are likely to have high employment and growth potential for individuals with appropriate education, training, or skills and to identify courses of education that help Veterans acquire the appropriate education, training, or skills to become employed in such industries and positions.

Additionally, this bill would require VA to ensure that such emerging technologies, list of educational courses, core industries, and types of positions are prominently included in TAP and displayed on VA's internet website. Not later than 90 days after enactment, this bill would require VA to establish an expedited process for the approval of courses of education identified. This bill would require VA, in consultation with DoL, to determine which technologies of critical importance, such as artificial intelligence and semiconductor manufacturing, would be treated as emerging technologies for purposes of this section. Section 2 of this bill would terminate on September 30, 2027.

Section 3 of this bill would amend 38 U.S.C. § 3699C(c)(4) to require that criteria prescribed by VA for approving providers of a high technology or emerging technology program of education under this section shall identify which technologies of critical importance, such as artificial intelligence and semiconductor manufacturing, shall be treated as emerging technologies for purposes of § 3699C.

VA supports the intent of this bill with amendments, however is unable to assess the impact to budgetary resources and therefore will follow-up with the committee once this evaluation is complete or CBO has provided a score.

VA strongly supports the provision requiring collaboration with DoL to identify high-demand industries and occupations. VA assumes that the examples of artificial intelligence and semiconductor manufacturing provided in the bill are illustrative and not restrictive. VA recommends clarifying that VA and DoL will continually update the list of industries and occupations as market conditions and demand evolve. VA already collaborates with DoL on identifying high-demand occupations under the Memorandum of Understanding between VA's VR&E program and DoL Veterans' Employment and Training Service (VETS). This existing partnership can be leveraged to meet the bill's objectives efficiently.

With respect to TAP, VA notes that the TAP curriculum is updated annually. If the bill is enacted, VA, working in coordination with DoL, will incorporate emerging industry information during these updates to ensure Veterans receive current and relevant guidance.

This bill would also require that, not later than 90 days after the enactment of this bill, VA establish an expedited process for the approval, as provided in 38 U.S.C. chapters 34, 35, and 36, of courses of education that help Veterans acquire the appropriate education, training, or skills to become employed in industries and positions that, as a result of emerging technologies, are likely to have high employment and growth potential for individuals with appropriate education, training, or skills.

VA has no concerns with implementing an expedited process for approval not later than 90 days.

VA does not have a cost estimate for this bill.

H.R. XXXX Affordable Housing Guarantee Act

This bill would increase the maximum guaranty amount of certain home loans guaranteed by VA. Specifically, the maximum guaranty would increase from 25% to

50% of the loan amount for a loan where the Veteran has a service-connected disability and unencumbered entitlement (meaning, the Veteran has never obtained a VA-guaranteed loan or, if the Veteran has, the Veteran's entitlement has been fully restored).

VA cites concerns.

In the current housing market and under current program authorities, the most common guaranty that VA makes for a Veteran with unencumbered entitlement is 25% of the loan amount. 38 U.S.C. § 3703(a)(1)(A)(i)(IV). While the dollar amounts of those guarantees have increased over time, the 25% guaranty structure for loans over \$144,000 has been in place for the better part of 4 decades. P.L. 101-237.

This bill would fundamentally change the guaranty structure, not only by establishing two separate tracks for guaranty calculation but also by doubling the amount of Government risk in certain Veterans' loans while reducing lender risk. VA is not opposed to either concept but has serious concerns about the potential impact the changes could have on Veterans and the fiscal health of the home loan program.

Nearly 60% of Veteran users of the program are currently exempt from the statutory VA loan fee due to their disabilities. This means that, if the bill were enacted, VA could double the amount of guaranty for up to 60% of its portfolio without any additional collection of loan fees. While a detailed cost estimate would take significant time, the likely impact could be several hundred million dollars in budget authority each year. Moreover, estimating the impact of such an unprecedented change is not as simple as a cost projection based on historical data.

Since 1989, when Congress introduced the 25% guaranty for loans exceeding \$144,000, VA has had the opportunity to observe borrower profiles, assess how lenders underwrite those profiles based on the lender's 75% risk-share, and gauge how each responds to a variety of market trends, including economic stressors like the Great

Recession and the COVID-19 national emergency. VA has also developed standards that account for numerous variables, with the idea that the 75-to-25 split of the risk both tempers a lender's willingness to make questionable loans and still encourages lenders to make loans that might otherwise be denied.

If the guaranty were to increase to 50%, however, risk in the program would likely increase more than linearly. In other words, the number of potential foreclosures VA might estimate based on today's current 75-to-25 split could differ substantially from an environment where the split is 50/50. VA has no reliable data to inform whether or how doubling the taxpayer investment in a certain tranche of guaranteed loans might incentivize lenders to exploit some of the time-tested underwriting flexibilities VA has built into VA's current standards. Lenders might loosen or eliminate their own overlays if the Government assumes a larger portion of the loan's risk. Furthermore, VA has no definitive evidence that lenders would reduce interest rates solely because of the higher guaranty or that secondary markets would respond in ways that make housing more affordable for disabled Veterans specifically or for the wider Veteran population more generally.

Simply put, VA agrees that making housing more affordable for disabled Veterans is a noble and achievable goal, and VA stands ready to help Congress explore various ways to accomplish that. But VA also believes that, without rigorous and strategic research to lay a proper foundation for monumental changes, good intentions could lead to a range of unintended consequences for Veterans, VA, and taxpayers. Notably, too, if the bill were enacted, VA could not implement it immediately. VA, lenders, and real estate professionals would need ample time to plan, reprogram systems, and train for this transition. Thus, VA remains committed to working closely with the Committee, and we look forward to future discussions regarding this bill.

VA notes that there would be mandatory expenses associated with the increase in guaranty claim payments. There would also be information technology costs.

VA does not have a cost estimate for this bill.

H.R. 3159 Improving SCRA Benefit Utilization Act

Section 2 of this bill would amend 10 U.S.C. § 992 to add consumer financial protections afforded to members and their dependents under the law, including protections regarding interest rate limits under § 207 of the Servicemembers Civil Relief Act (SCRA) (50 U.S.C. § 3937) to the list of topics covered in financial literacy training for members of the Armed Forces. The bill would also add information regarding knowledge and use of protections regarding interest rates under § 207 of the SCRA to the annual survey of the status of the financial literacy and preparedness of members of the Armed Forces.

Section 3 of this bill would amend § 105 of the SCRA (50 U.S.C. § 3915) to further specify when a person entering military service and a person who is a member of a reserve component must be notified of the benefits accorded by this chapter.

Section 4 of this bill would amend § 207(b) of the SCRA (50 U.S.C. § 3937) to require the creditor to treat any other obligation or liability of the Service member to the creditor in accordance with subsection (a), whether or not such obligation or liability was specifically mentioned in a notice provided by the Service member under § 207(b)(1)(A). The bill would also amend § 207(b) of the SCRA to require a creditor to provide all necessary mechanisms to ensure that a Service member is able to submit any documents required for an obligation or liability of the Service member to be subject to the interest rate limitation in § 207(a) either online, by mail, or by fax, at the election of the Service member.

VA defers to DoW on this bill.

H.R. 5436 Prohibit an educational institution from withholding a transcript from an individual who pursued a course or program of education at such institution using Post-9/11 educational assistance

This bill would add a new 38 U.S.C. § 3328 to prohibit an educational institution from withholding the transcript of an individual who attended a course or program of education at such educational institution using Post-9/11 GI Bill benefits, solely because the individual owes a debt to the institution.

VA cites concerns but defers to the Department of Education on this bill.

VA defers to the Department of Education (ED) on potential impacts on educational institutions of this proposed legislation as ED is the authority on policies related to transcripts and payments at educational institutions. Additionally, VA cites concerns with this bill's effective date, which, since not otherwise specified, would be the date of enactment. This would create an administrative burden on VA since VA would be required to establish policies and procedures to implement the new provision.

VA does not have a cost estimate for this bill.

H.R. XXXX Home loan quarterly reports

This bill would amend 38 U.S.C. § 3736 to require quarterly reports on housing loans insured, guaranteed, or made by the Secretary. The quarterly reports would not substitute for other reports already required under § 3736 but would instead constitute a separate reporting requirement.

VA cites concerns with this bill and looks forward to working with Congress to find efficient alternatives.

Section 1 of the bill would amend 38 U.S.C. § 3736 by adding a requirement that the Secretary submit quarterly reports to the House of Representatives and the Senate Committees on Veterans' Affairs. The quarterly reports would include:

- The number of housing loans insured, guaranteed, or made by the Secretary.
- The number of applications for housing loan benefits that were denied.
- The number of housing loans refinanced.
- The number of Veterans with mortgage payments under the program that are at least 60 and 90 days delinquent.
- The number of full-time employees in the VA Home Loan Guaranty Service (or any successor office).

VA fully supports initiatives that enhance transparency regarding the home loan program. To that end, VA already publishes a significant amount of information regarding guaranteed loans, including some of the data required by the bill. For example, VBA publishes in its Annual Benefits Report information regarding guaranteed loans from the previous fiscal year, such as the number of housing loans insured, guaranteed, or made by the Secretary, as well as the number of refinanced loans and the types of refinances. See <https://www.benefits.va.gov/REPORTS/abr/>. Additionally, VBA's Loan Guaranty Service (LGY) publishes data quarterly regarding guaranteed loan volume by lender, state, and county. See <https://www.benefits.va.gov/homeloans/lenders.asp>.

A new datapoint for reporting under the bill would be "the number of applications for housing loan benefits...denied by the Secretary." VA is uncertain whether Congress means for this provision to apply to certificates of eligibility where the Secretary approves or denies an application or whether Congress intends for this to mean the loan applications that private lenders approve or deny. If the latter, it would be difficult for VA to implement the new reporting requirement, as VA does not currently collect the information, and to do so could necessitate new information collection burdens on the industry and in systems programming costs for both the industry and VA.

Two additional datapoints for the new reports would include information on delinquent loans and the number of VA personnel assigned to the home loan programs. Although VA does not already provide this information in the annual report, VA briefs the Committees regularly on a number of issues and would be pleased to include this information at any point, without a statutory requirement.

In short, VA welcomes the opportunity to provide the Committees and the public with a full array of information on the home loan guaranty program. But VA is concerned about the burden of duplicative reporting. VA is also concerned about the lack of clarity in at least one of the bill's requirements, and more importantly, VA believes that there is not a need for a new statutory mandate for quarterly reports in perpetuity. VA believes that there are instead more efficient and more effective ways of ensuring the information is available for review.

VA cannot cost this bill at this time, as technical revisions would be necessary before VA could accurately estimate the scope, burden, and other matters that might contribute to the bill's costs.

Conclusion

This concludes my statement. We would be happy to answer any questions you or other members of the Subcommittee may have.