

**STATEMENT OF**  
**MR. SON NGUYEN FOUNDER AND PRESIDENT**  
**VETERANS ASSOCIATION OF REAL ESTATE PROFESSIONALS (VAREP)**  
**BEFORE THE**  
**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**  
**COMMITTEE ON VETERANS' AFFAIRS**  
**U.S. HOUSE OF REPRESENTATIVES**  
**SUBCOMMITTEE HEARING ON THE TOPIC OF:**  
**"Finding Solutions for Veteran Homelessness in Southern California"**  
**JANUARY 20, 2016**

Chairman Wenstrup, Ranking Member Takano and members of the Subcommittee:

Thank you for inviting the Veterans Association of Real Estate Professionals (VAREP) to submit our testimony on "Finding Solutions for Veteran Homelessness in Southern California". With 24 plus chapters and growing across the country, we are pleased to share the perspective of those most directly impacted by the subject this committee addresses.

Established in 2011, VAREP has quickly grown to be a voice for the interests of veterans in financial-literacy, homeownership and VA loan education and counselling; additionally, we have become the educational resource to the real estate, lending, and housing professionals. We teach them on how to better serve our veterans achieve the American Dream of homeownership. Our Capitol Hill visits have advocated for multi-agency collaboration including specific legislative and administrative changes in removing barriers to veteran homeownership.

*National Outreach Results:*

- 1,500 veterans were educated about the importance of good credit, benefits of Homeownership, the home buying process, the VA loan benefit, down payment assistance programs, HUD VASH, and SSVF programs through our "Veterans Housing Summits (VHS)" across the country.
- As a direct result of these Veterans Housing Summits, 500 veteran families realized homeownership and counting.
- 5,000 real estate professionals and lenders educated about the VA loan and how to work with the military and veteran communities.
- 1,500 veteran families have been help by VAREP local chapters through toy, blanket, and food drives. VAREP has paid for utilities, rent, and mortgage payments for veteran families who experience a temporary hardship through our VAREP Cares program.
- 10 Mortgage-Free Home Donations across the United States to qualified veterans through our "House-A-Vet – Homes for Heroes" program
- \$40,000 in a form of grants were given to veteran families for down-payment, closing costs, and adaptive housing assistance.
- 70 homes remodeled and sold to low-to-moderate (LMI) income veterans families through our "House-A-Vet – Veteran First" resale program.

### Southern California Outreach Results:

- 200 veterans attended Veterans Housing Summits in Riverside, San Bernardino, and Los Angeles Counties.
- As a direct result of these Veterans Housing Summits, 50 Southern California veteran families realized homeownership.
- 500 plus veteran families have been help by VAREP local chapters through toy, blanket, and food drives for the holiday season.

In this testimony, we will address homelessness and low-income veterans as relates to transitional housing, overcoming barriers to homeownership and transitioning into a sustainable life in Southern California. We look forward to working with the Department of Veterans Affairs (VA) and this committee on these issues.

### **Overview of California Veterans and Homeless Population**

California has approximately 1.9 million veterans. Of these, about 185,000 (or 9.7 percent are women) Almost one million are currently over the age of 60 (52.3 percent). Most live in Southern California counties, and are heavily clustered in Los Angeles (281,961 in 2015), San Diego (221,076 in 2015), Orange County (112,449 in 2015), San Bernardino (108,497), and Riverside (128,767 in 2015).

California expects to receive an additional 30,000 discharged members of the armed services each year for the next several years – more than any other state. Nearly 15,000 California veterans experience homelessness nightly, representing 26 percent of the nation’s homeless veterans.

Compared to the general adult population, male veterans are less likely to progress from stability into homelessness. But male veterans living in poverty are about 1.2 time more likely to progress to homelessness when compared to civilians living in poverty. Women veterans, however, are twice as likely as other adults to move into homelessness, and women veterans in poverty are 2.7 times as likely to move into homelessness as other adults living in poverty. For all veterans, youth is now associated with a higher risk of moving into homelessness. For 18-30 year old veterans living in poverty, when compared to nonveteran adults living in poverty, veterans are 3.4 times as likely to become homeless.

This young cohort is made up of veterans who have served in both Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) and has a higher proportion of women veterans that older cohorts do.

Women in their 30s to 50s experienced the greatest problems with housing destabilization and homelessness. However, we also found that women serving in the most recent conflict experience problems maintaining stable housing once they become a veteran.

### **Homeless and Marginal Low-income Veteran Transitional Housing**

Southern California has made great strides to ending veteran homelessness through a collaboration of local, state, and federal programs including the HUD VASH and SSVF.

The HUD VASH is a great program, however, the definition of homeless only covers veterans who are actually on the streets or housing shelters. A couch-surfing, low-income veteran cannot afford a permanent dwelling is essentially homeless, currently, this veteran would not qualify for the HUD VASH Voucher program. The propensity for this type of veteran to be street homeless is inevitable. HUD VASH should re-consider and expand its definition of homeless to be more inclusive of the low-income veteran.

SSVF is another great program, however, the challenge is that a lot of veterans are unaware that this program exists. The SSVF Continuum of Care grant recipients need to do a better job of outreach to educate veterans within the communities they serve.

The transitional period is a critical time in a veteran's life. They are brought off the street and into transitional housing to receive treatment for a variety of physiological and physical ailments. They are also encouraged to apply for entitlement benefits such as disability and find suitable employment for sustainability. However, financial fitness education and housing counseling needs are not being addressed. Financial literacy education and housing counseling services need to be part of the supportive services provided and overseen by case management as a requirement of daily living activities.

### **Studies: Lack of Financial Literacy May Trigger Veteran Homelessness**

Post-traumatic stress disorder (PTSD), traumatic brain injury (TBI), depression, bipolar disorder, alcohol and drug abuse, younger age, and contact with the criminal justice system have each been identified as risk factors for homelessness among veterans. However, an overlooked contributor to veterans' homelessness is not achieving financial stability after military service. Financial factors, including lack of stable employment, inability to budget and make ends meet, limited financial knowledge, poor judgment in making financial decisions, and lack of material security, can exist independently of mental health diagnoses and the other risk factors mentioned according to a report in the American Journal of Public Health in 2013.

The study found that military members in general are less familiar with household budgets, more likely to be targets for predatory lenders and "may not have the opportunity to learn the skills necessary for being financially independent and managing money."

Researchers from the University of North Carolina and Duke University said the study of 1,000-plus veterans from the Iraq and Afghanistan era found nearly one-third had gone over their credit limit, written a bad check or been contacted by a collection agency. About 5 percent of those surveyed spent some time homeless.

A 2014 University of Southern California Los Angeles County Veteran Study showed:

- 30% of veterans reported financial troubles, many of which began during military service.

A 2014 Blue Star Families Military Family Lifestyle Survey revealed:

- 65% surveyed experienced stress related to their family's current financial condition.
- 84% agreed that greater focus should be placed on preventive financial education as a whole.

### **Financial Fitness Education Solution**

A "Financial Literacy" education and coaching program needs to be established as a benefit under the new GI Bill so veterans can apply, participate, and graduate financially fit ensuring sustainability.

The program can be implemented in all phases including active-duty, transitioning, and reintegration:

- *Active-Duty* – Start early and make a financial literacy curriculum mandatory for all service members to be completed within 60 days after reporting to their duty station. Follow up with peer-to-peer financial fitness coaching to include annual credit review and savings plan. Starting early in the service member's career creates

good money habits and the annual credit reviews will enable sufficient time, if needed, to restore financial health prior to military separation.

- *Transitioning* - During TAP/Transition GPS, have trained financial counselor conduct final detailed financial analyses of separating service members' financial health.
- *Reintegration and Sustainable Life* - The Veterans Administration (VA) in partnership with veteran housing nonprofits to provide continued financial literacy education, support, and coaching.

### **Barriers to Homeownership**

Mental Disorders, PTSD, TBI, substance abuse, unemployment, lack of income, poor money management, bad credit, are all barriers to homeownership. However the biggest barrier to homeownership is lack of home buyer outreach, education, and counseling. This lack of these services have caused confusion, frustration, and in some cases housing discrimination.

A 2015 Veterans Association of Real Estate Professionals (VAREP) Veteran Housing Survey Revealed:

- 95% said they did not receive housing training and counseling while in service.
- 90% said they did not receive VA Loan benefit training during service, transitioning out, or post separation.
- 45% said they did not ever think they could own a home.
- 65% said they did not know where to go and get help with their credit.
- 70% said they could not find affordable housing on a limited income.
- 90% said VAREP was the first group that actually focused on educating veterans on homeownership.
- 95% said they wanted follow up and home buying counseling services.
- 50% said they had a foreclosure or short sale and thought they could not buy again.
- 70% said they had a hard time finding a realtor or lender to work with them if they were using the VA loan.

### **Home Buyer Pre-purchase and Post-purchase Housing Education and Counseling Solution**

The Department of Housing and Urban Development (HUD) has proven that providing home buyer pre-purchase, post-purchase, and default housing education and counseling through NeighborWorks America's network of counseling agencies works.

HUD's data shows:

- Pre-purchase homeownership counseling had positive long-term effects on credit score, debit levels, and delinquencies on debt.
- Counseling clients are one-third less likely to become 90+ days delinquent in the two years since obtaining their loan.
- Telephone quarterly free financial coaching for one year post-purchase found an 11.1 reduction in mortgage default rates for first-time home buyers with subprime credit histories (credit scores below 680).

HUD-approved housing counseling agencies are ill equipped to provide veteran housing education and counseling services because the VA loan and veteran demographic is not in their wheelhouse. The responsibility of these services rests with the VA.

Despite HUD's lack of catering to the veterans, the homeownership education and counseling model works. A veteran housing education and counseling program should be established under the GI Bill as part of the VA loan program. This seems to be a natural fit.

### **Fair Housing Law Veteran Inclusion**

Veterans are members of a protected class. Laws have been passed to increase hiring of veterans, increase contracting opportunities for veteran-owned businesses, suspend civil proceedings against service members while deployed, provide foreclosure-prevention help for veteran homeowners, and penalize companies who prey on service members through high-interest loans and investments scams. It is long overdue to make veterans a protected class as part of the Fair Housing Act.

Allow Community Reinvestment Act (CRA) credit for financial institutions who purposefully reach out to the Low-to-moderate (LMI) veteran community to give them the credit access they need.

### **Conclusion**

The benefits of this proposal are clear: financial literacy education and homeownership education with counseling services are proactive and preventive measures to ending virtual homelessness in Southern California while enabling reintegration sustainability. A pilot programs should be established within Southern California by the VA to develop and implement these services. Once success is proven, these programs can be scalable for the entire United States. It is our hope that we can work with the VA to bring this concept from possibility to reality.

To properly demonstrate the veteran requests that VAREP receives on a daily basis, please see exhibit 1. We have done the best that we can, however, there no grants that support us in our endeavor, thus almost 1,000 affordable housing options, financial literacy, and housing counseling requests are backed-logged waiting for processing.

*Exhibit 1. Affordable Housing, Financial Literacy, and Homeownership Counseling Request Samples.*

We thank the Chairman, Ranking Member, and the Subcommittee Members for your time, attention, and devotion to the cause of veterans. We welcome your feedback and questions, and we look forward to continuing to work with this subcommittee, the House Committee on Veterans' Affairs, and the entire Congress to ensure the success and empowerment of all generations of veterans in the areas of financial and homeownership sustainability.

### **Information Required by Rule XI2(g)(4) of the House of Representatives**

Pursuant to Rule XI2(g)(4) of the House of Representatives, VAREP has not received any federal grants in Fiscal Year 2015, nor has it received any federal grants in the two previous Fiscal Years.

**Son Nguyen,**

**Founder and President**

Son Nguyen is the Founder and President of the Veterans Association of Real Estate Professionals (VAREP). Mr. Nguyen creates, implements, and oversees the programs within VAREP including working with government agencies and policy makers to create and reform veteran housing policy to remove barriers to homeownership.

He is frequently called upon as a subject matter expert by government agencies, the real estate industry, the lending industry, and real estate trade organizations to provide consultation on a variety of veteran housing issues.

Mr. Nguyen has 19 plus years of experience in real estate, public speaking, supplier diversity, curriculum development, and non-profit management. His record speaks of innovation and leadership at the highest level.

Mr. Nguyen established VAREP as a housing non-profit for vets, by vets. He believes VAREP's proactive stance--providing financial-literacy education and advocating homeownership--may not end the epidemic of homelessness among the veteran community, but can prevent it from happening in the future, one veteran at a time.

Mr. Nguyen entered the Navy in 1996 and served as a Radioman on the USS Vincennes (GC-49) and USS Constellation (CV-64). A proud service-connected disabled veteran, Mr. Nguyen holds a Bachelor's degree in Public Relations from the University of Florida and a Master's in Organizational Management. He currently resides in Corona, CA with his wife, son, and Labrador.