



**Statement from Paul Vincent, President, USAA Federal Savings Bank**  
**To the Subcommittee on Economic Opportunity**  
**U.S. House Committee on Veterans' Affairs**  
**Hearing Entitled "Removing Barriers to Veteran Home Ownership"**  
**December 8, 2021**

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 this important hearing to discuss how to improve access to homeownership for our nation's veterans and their families.

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 facilitating the financial security of our members, associates and their families through the provision of a full range of highly competitive financial products and services. We seek to be the provider of choice for the military community. Our core values of service, honesty, loyalty and integrity have enabled us to perform consistently and be a source of stability for our members.

USAA has offices in seven U.S. cities and three overseas locations. We employ 36,000 people globally, and nearly 20% of our employees identify as veterans or military spouses. USAA's Military Affairs team, which has over 1,400 years of combined uniformed military experience, includes more than 40 representatives who operate near major military installations and advocate for servicemembers' financial readiness.

We commend the Department of Veterans Affairs (VA) for its commitment to ensuring veterans have access to homeownership opportunities. Serving our members through the VA Home Loan Guaranty Program is an important part of USAA's mission to support military families. The VA loan program, which was created by the original G.I. Bill, has allowed generations of veterans, servicemembers and their families to access the mortgage market and achieve their dreams of homeownership. In 2020, USAA originated 21,878 VA purchase loans, the second-highest volume of VA purchase home loans in the industry, and funded an additional 24,725 Interest Rate Reduction Refinance Loans (IRRRLs) and cash-out refinance VA-guaranteed loans for a total of 46,603.<sup>1</sup>

VA loans provide significant benefits for eligible borrowers, including 100% loan-to-value for purchases and the ability to avoid Private Mortgage Insurance (PMI), two important flexibilities for borrowers who may lack substantial down payments. However, there are opportunities for policymakers and the VA to work together to address persistent obstacles that can make it challenging for borrowers to effectively take advantage of this earned benefit.

---

<sup>1</sup> See "[FY 2021 Lender Loan Volume](#)" U.S. Department of Veterans Affairs

First, we encourage policymakers and other stakeholders in the real estate lending industry to consider opportunities to improve outreach and education related to the program. The Transition Assistance Program (TAP) helps approximately 200,000 servicemembers per year transition out of the military, a process that starts at least one year before separation or two years before retirement. The VA’s [portion of TAP](#) educates servicemembers about VA services and benefits, including the VA Home Loan program. Importantly, the course is also available virtually to family members and caregivers. However, significant time may elapse between this single-day course and when servicemembers and their families are ready to avail themselves of the program’s benefits. It is thus important to consider every future and ongoing opportunity to enhance stakeholder outreach, education and awareness about this earned benefit.

To better reach our own members and other stakeholders in the real estate ecosystem, USAA launched a Home Learning Center and Agent Resource Center (available to the public at [usaa.com/arc](https://usaa.com/arc)), which includes detailed information on eligibility, the benefits of a VA guaranteed loan, underwriting criteria and the appraisal process. We look forward to working with the Subcommittee, the VA and our partners throughout the military community to explore other options to improve awareness of the program.

Certain aspects of the VA Home Loan appraisal process have also made it more difficult for some prospective homebuyers seeking to use this benefit to compete with other buyers. With strong demand and limited housing inventory throughout the pandemic, veterans often find themselves at a disadvantage compared to conventional home loan borrowers. In 2020, on average, it took USAA 5-to-7 days longer to close on a USAA-originated VA-backed mortgage compared to a conventional mortgage. This delay is largely attributable to a shortage of VA-certified appraisers, extended timelines for appraisal reviews and additional delays related to the Reconsideration of Value (ROV) appeal and required repair processes – all factors that could ultimately make an offer from a VA borrower less attractive to a seller. Although important flexibilities were temporarily put in place to ease the appraisal slowdown during the pandemic, we foresee appraisal challenges persisting without longer-term changes specific to the VA process.

We urge the VA to consider reforms to the VA Home Loan process to level the playing field between VA and conventional borrowers to ensure the military community is not placed at a disadvantage. Reviewing the VA Home Loan appraisal process to better align with Fannie Mae and Freddie Mac conventional loan appraisal requirements would help reduce average closing timelines for VA loans. Improvements to the appraisal process, coupled with enhanced outreach to servicemembers, veterans and other stakeholders about the program, will help ensure our nation’s heroes are able to take full advantage of this earned benefit.

As USAA nears our 100th anniversary in 2022, we’re proud of our continued commitment to more than 13 million members of the U.S. military, veterans who have honorably served and their families. Providing unique and uncompromising support for the military community is an idea USAA has fostered since day one, and it continues to prove invaluable to accomplish our mission today. We look forward to working with the Subcommittee to explore legislative and regulatory solutions to promote veteran homeownership.