The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

RE: Opposition to VA Home Loan Funding Fee Increases in H.R. 9237, the Take Care of America's Veterans Act

Dear Speaker Johnson and Leader Jeffries:

On behalf of the National Association of Mortgage Brokers, I write to express our serious concern with the VA home loan funding fee provisions currently included in Section 104 of H.R. 9237.

NAMB strongly supports the underlying goal of H.R. 9237, delivering long overdue benefits to combat injured veterans through the Major Richard Star Act provisions and other improvements to VA care and compensation. Veterans who have served our country deserve nothing less.

However, we cannot support funding these benefits by nearly tripling the IRRRL funding fee from 0.5% to 1.42%, doubling the VA assumption fee from 0.5% to 1%, and removing the ten-year sunset on these increases so they become permanent. Independent analysis estimates this would raise costs on veteran borrowers by $4 billion, adding an average of $3,780 in additional upfront costs per veteran using one of their most basic earned benefits.

We are also concerned that this fee increase directly conflicts with the VA's own congressionally mandated 36-month recoupment requirement for IRRRL refinances. That rule already requires lenders to demonstrate a veteran will recoup all closing costs and fees within 36 months through their interest rate savings. Nearly tripling the IRRRL funding fee, layered on top of already rising ancillary closing costs, will push many veterans outside that recoupment window entirely, making them ineligible to refinance under the very program designed to help them lower their housing costs. In effect, this provision does not simply raise costs, it will disqualify a meaningful number of veterans from the IRRRL program altogether at a time when refinancing relief is needed most.

The VA loan program exists to make homeownership more accessible for those who served. Financing new benefits for one group of veterans by substantially raising costs on another group of veteran homebuyers and refinancers sets a troubling precedent and runs counter to the program's core purpose.

NAMB's concerns are shared by others across the mortgage and housing finance industry, and we urge the House to instead support the standalone bipartisan bill called the Major Richard Star Act (H.R. 2102 / S. 1032), which was introduced by House Veterans Affairs Committee Ranking Member Mark Takano last week. We believe that this bill identifies realistic alternative offsets, including designated appropriations or unobligated program funds, rather than shifting this cost onto veteran borrowers.

We appreciate your leadership on veterans' issues and welcome the opportunity to discuss this further with your staff.

Sincerely,

Kimber White

Kimber White
President

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