

**Written Testimony of
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on behalf of
National Association of REALTORS®**

**Before the House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity**

**Hearing Titled "Kitchen Table Issues: Lowering Costs for
Veteran Families Through the VA Home Loan Program"**

March 26, 2026

Introduction

Chairman Van Orden, Ranking Member Pappas, and distinguished Members of the Subcommittee, my name is Kurt Thompson. I am the Broker/Owner of RE/MAX Liberty in Westminister, Massachusetts, where I have been helping buyers and sellers for over 29 years. I am a Certified Residential Specialist, a past President of the Massachusetts Association of REALTORS®, and the 2012 Massachusetts REALTOR® of the Year. I am also a veteran. I served my country for eight years, in the Army Reserve and later with the 157th Air Refueling Wing at Pease Air National Guard Base in New Hampshire. I am proud of that service, and I am proud to say that the VA home loan program helped me achieve homeownership. That experience gave me a personal appreciation for what this benefit means, and it is part of why I work hard to make sure my veteran clients know about the program and can access it.


Today I am testifying on behalf of more than 1.4 million members of the National Association of REALTORS® (NAR), representing every zip code in the United States, who thank you for the opportunity to present NAR's views on improving and modernizing the VA Home Loan Guaranty program. NAR is America's largest trade association, and our members engage in all aspects of the residential and commercial real estate industries, with agents and brokers in every congressional district in the country.

NAR members work with veteran and active-duty homebuyers in every corner of this country, and we go above and beyond to serve them well. For example, NAR offers the Military Relocation Professional certification, which trains REALTORS® to understand the unique needs of current and former servicemembers and their families, guide them through the relocation process, help them make informed decisions about whether to rent or purchase a home, and explain the basics of VA financing. For a veteran coming home after years of deployment or active service, the housing market they return to can look completely different from the one they left. Having a knowledgeable REALTOR® in their corner can make the difference between getting into a home and losing the property. Someone who understands the VA loan program, knows how to structure an offer competitively, and can connect them with a lender who knows the program inside and out — that is what veteran buyers need. That is the standard of service NAR members strive to provide, and it is why we care so deeply about making sure the VA program itself works as well as it should.

Part of my standard practice when working with any buyer is to ask whether they have VA eligibility, because if they do, that benefit is almost always their best financing option. The no-down-payment feature alone can be the difference between homeownership and continued renting for a veteran who is living paycheck to paycheck. When it works well, the VA loan program does not just put a veteran in a home, it helps them stabilize their housing costs and build multigenerational wealth. Helping a veteran reach that milestone is one of the most meaningful things I do in this job.

The VA home loan program has the potential to be even stronger than it is today, and this Subcommittee has the opportunity to make that happen. That is what I am here to discuss.

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VA Home Loan Reform Act (H.R. 1815)

Before turning to opportunities for improving veteran access to sustainable homeownership, NAR wants to express sincere gratitude to this Subcommittee for its leadership on one of the most important veterans housing reforms in recent memory: the passage of the VA Home Loan Reform Act (H.R. 1815).

For years, veterans using VA-guaranteed home loans were the only homebuyers in America explicitly prohibited from directly compensating their real estate agent. As market practices shifted following the NAR settlement and sellers have become less willing to cover buyer agent fees, this put veterans in an increasingly difficult position: use their hard-earned VA benefit and risk going without professional representation or forgo the benefit altogether to level the playing field with other buyers.

NAR worked with both this Subcommittee and the Department of Veterans Affairs to address this. The VA took the first step by temporarily suspending the prohibition in 2024, providing immediate relief. But veterans needed a permanent solution, and H.R. 1815 delivered that. Passed unanimously and signed into law, the Act requires the VA to develop a lasting strategy to ensure veterans are not disadvantaged when seeking real estate representation. It also establishes a new partial claims program to help veterans who are struggling to keep up with their mortgage payments, ensuring the program supports veterans long after the closing table. NAR has been engaged with VA on implementation and looks forward to continuing that work as the agency develops its permanent solution. We thank this Subcommittee for its leadership in getting H.R. 1815 across the finish line.


The Broader Context: America's Housing Affordability Crisis

To understand the value of the VA program, it helps to first look at the housing market veterans are entering. Even the strongest loan benefit can only do so much when available homes are in such short supply

America faces a shortage of approximately 4.7 million homes. There were more homes available in 1995 than there are today, despite 75 million more Americans. Fourteen years of severe underbuilding following the Great Recession left a massive shortfall that we're still nowhere close to closing. The scarcity of affordable home inventory significantly blocks homeownership, and this issue disproportionately impacts first-time homebuyers. Many of my first-time homebuyers have effectively paused their home search due to affordability issues. First-time buyers now represent just 21 percent of all purchases, down from a historical norm of around 40 percent. The typical first-time buyer today is 40 years old, waiting more than a decade longer than their parents did to buy a home. A 10-year delay in buying means losing more than \$150,000 in potential equity growth.

For veterans, this hits especially hard. The VA loan program's greatest strength, enabling veterans to purchase homes with no down payment, matters most when there are affordable homes to buy. When inventory is scarce and prices are elevated, even the best financing can only do so much.

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Solving this requires action on multiple fronts. In the short term, we need to unlock existing inventory. One of the biggest barriers is outdated federal tax policy. The capital gains exclusion for home sales has not been updated in 27 years, and homeowners who have seen significant appreciation are effectively penalized for selling, which keeps homes off the market. NAR supports updating this exclusion through legislation like the **More Homes on the Market Act (H.R. 1340)** as one meaningful step to free up inventory. Improving VA loan assumability, which I will address shortly, is another tool that could help veteran buyers access existing inventory at mortgage rates lower than what is currently available.

In the longer term, we need to build more homes, particularly the smaller, more affordable starter homes that first-time buyers need. In my market in Massachusetts, most entry-level buyers are looking in the \$300,000 to \$500,000 range. Getting more homes built at that price point would make a real difference for veterans and first-time buyers alike, and there is legislation before Congress right now that would help do exactly that.

The Senate recently passed the **21st Century Road to Housing Act (H.R. 6644)**, and NAR strongly urges the House to take up the bill and pass it quickly. The bill confronts barriers to housing at all levels of government — giving communities new tools and resources to plan and build for growth, streamlining federal processes that delay construction, modernizing federal housing programs to meet the needs of today, and improving financing options for manufactured and rural housing. Critically for this hearing, it also takes steps to improve access to credit for homebuyers and ensures veterans can take full advantage of their VA home loan benefits.

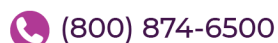
Veterans deserve a housing market with enough supply to make homeownership genuinely attainable, and this bill is an important step toward that goal. NAR remains deeply engaged on housing supply and affordability issues across Congress and will continue working with lawmakers to advance new ideas and solutions that make homeownership more attainable for all Americans, including those who have served our country.

The improvements to the VA program I will outline today are meaningful and necessary. Still, the program can only reach its full potential when paired with a broader effort to expand affordable housing opportunities for veterans. Strengthening the benefit and increasing supply are complementary goals, and both are essential.

Appraisals and Minimum Property Requirements: Where Veterans Lose Deals

When it comes to the VA program itself, I want to spend most of my time on appraisals, because this is where I see the problem most clearly in my day-to-day work.

The biggest competitive challenge I see for VA buyers is closing costs leading to appraisal risk. Many of my veteran buyers have limited cash on hand, and other than the VA funding fee, closing costs cannot be rolled into a VA loan. This means I often need to negotiate seller concessions to reduce their out-of-pocket expenses at closing. In hot real estate markets like my own, many sellers are not willing to simply reduce their asking price to cover those costs. They want to net what they were expecting. So, to get the seller their number and secure the



concession my client needs, the offer price has to go above asking. The appraisal then has to come in at that higher number, which may be higher than market value. If it does not, the home seller has to either take less than they wanted or walk away. When that seller has another offer on the table without that complication, they have to ask themselves whether it is worth the risk. That is where veterans lose properties.

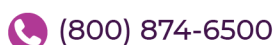
That said, I have seen sellers accept VA offers over cash offers at the same price because they wanted to do right by a veteran. Those moments are genuinely moving, and they are a reminder of how much this country values the people who serve it. But I cannot count on that happening in every transaction.

Another issue that can arise is that VA appraisers are required to flag property conditions that other loan programs would simply pass over. When that happens, the seller may be asked to make repairs before the loan can close, adding time and cost to the transaction and giving sellers yet another reason to favor a conventional offer. In some cases, the only path forward is to order a second appraisal, which means more time and more money out of pocket for a buyer who often does not have a lot of either. NAR recommends that Congress direct the VA to bring its Minimum Property Requirements in line with the standards used by Fannie Mae and Freddie Mac. Greater alignment would reduce those misconceptions and make VA-financed offers more competitive. It would also expand the pool of appraisers willing to work within the program and reduce friction throughout the transaction, all while maintaining the protections that veterans using the program deserve.

Appraisal wait times are also a problem, and they are made worse by a shortage of VA appraisers, particularly in rural markets. In competitive markets, long delays can kill deals. Buyers lose rate locks, sellers get frustrated and move on, and the veteran is back to square one. NAR recommends that this Subcommittee examine how the appraisal process can be modernized to reduce wait times without sacrificing the quality and independence that protect both the borrower and the program, including 21st Century ROAD to Housing Act's call to widen the pool of appraisers allowed to perform appraisals for the VA. Ensuring that appraisers are compensated appropriately—for instance, indexing fees with inflation, allowing for surge fees, and expanding mileage reimbursement—could also grow the pool of appraisers in high-demand and rural areas. Any changes should be deliberate and evidence-based, but there is real opportunity here to do better for veterans. More broadly, NAR encourages Congress to ensure that VA has the staffing, technology, and resources necessary to administer the home loan program effectively and serve veterans in a timely manner.

Loan Assumptions: A Benefit That Has Yet to Deliver on Its Promise

VA loans are assumable, which in today's high interest rate environment sounds like an incredible feature. A buyer who takes on a seller's 2.5 or 3 percent mortgage instead of taking out a new loan at today's rates would save significantly on their monthly payment. I have had consumers ask me about this. Some of my veteran clients know their loan is assumable and want to know if it is a marketing advantage when they sell.



My honest answer is that I cannot think of a single transaction in my career where an assumption has actually closed. The process takes too long, sometimes 90 days or more, and most buyers cannot bridge the gap between the existing loan balance and the purchase price without a substantial cash down payment. For buyers who have that kind of money, a conventional loan is often just as easy. The assumption benefit exists on paper, but in practice it rarely pencils out.

I think there is real potential here that is going untapped, and NAR would welcome the Subcommittee's interest in finding ways to make assumptions more workable. Streamlining the process and shortening timelines would be a start. Part of the reason assumptions rarely get done is that lenders are not adequately compensated for facilitating them, so they have little incentive to prioritize the process. NAR recommends that the VA reevaluate its caps on lender compensation for facilitating mortgage assumptions. There are also ideas worth exploring around financing solutions that could help buyers close the equity gap, so that assumptions are not limited to the rare buyer who can cover the difference in cash. Congress should also address the fact that veterans currently lose their VA entitlement when their loan is assumed by a non-veteran, which can leave them without a benefit they earned through their service.

Conclusion

The VA Home Loan Guaranty program has been one of the most important benefits our nation offers to those who serve for over 80 years, and I am proud to have benefited from it personally. When it works well, it is a powerful path to homeownership and the kind of wealth-building that can last generations. I have seen that in my own life, and I have seen it in the lives of the veterans I have had the privilege of working with over nearly three decades in this business. This program deserves to be the best it can be, and NAR stands ready to work with this Subcommittee and the Department of Veterans Affairs to make that happen.

Thank you for the opportunity to testify. I welcome your questions.

