

# NAR Issue Summaries

## Housing / VA Rehab Loans

### NAR Committee:

Federal Financing and Housing Policy Committee

### What is the fundamental issue?

Since its establishment in 1944, the VA home loan program has helped millions of veterans realize the dream of homeownership. NAR believes this program is a vital tool that provides veterans with a centralized, affordable, and accessible method of purchasing homes as a benefit of their service to our nation.

However, NAR has been working with VA to provide more flexibility to veteran buyers. For example, VA does not have a loan that can be used to purchase and rehabilitate a home, similar to the FHA 203k program. The lack of a combined purchase-rehabilitation loan program leaves veterans disadvantaged in buying REOs and older homes that need some work.

### I am a real estate professional. What does this mean for my business?

VA loans provide zero-downpayment financing for veterans and surviving spouses. The addition of a purchase-rehabilitation loan will enable veterans to take advantage of properties that need some work.

### NAR Policy:

NAR is a strong supporter of, and REALTORS® are a major participant in, the VA Home Loan Guaranty Program. The VA Home Loan Guarantee program has guaranteed more than 20 million loans to American veterans, with a total loan volume over one trillion dollars. This program is a vital homeownership tool that provides veterans with a centralized, affordable, and accessible method of purchasing homes as a benefit for their service to our nation. NAR supports efforts such as the creation of a rehabilitation-purchase loan to expand housing opportunities for our veterans.

### Opposition Arguments:

There is no known opposition to a VA purchase-rehabilitation loan.

### Legislative/Regulatory Status/Outlook

NAR is working with the Department of Veterans Affairs on the creation of a rehabilitation loan program similar to the FHA 203k program. That FHA program allows borrowers to purchase a home and include the costs of rehabilitation in the loan. This would be a great benefit to our nation's veterans.

### Current Legislation/Regulation (bill number or regulation)

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None at this time.

### **Legislative Contact(s):**

Sydney Barron, sbarron@nar.realtor, 202-383-1089