



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
Chief Advocacy Officer

July 23, 2024

The Honorable Patrick McHenry
Chairman, HFSC
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member, HFSC
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McHenry and Ranking Member Waters:

On behalf of America's 182 Defense Credit Unions and almost 40 million members, I am writing to provide commentary for the upcoming hearing entitled, "Housing Solutions: Cutting Through Government Red Tape." We write to raise awareness on a regulatory issue that may prevent Veterans from accessing their VA Home Loan benefits based upon recent court decisions. As you know the Veterans Affairs loan, or V.A. loan, is a privately funded mortgage backed by the U.S. Department of Veterans Affairs that is best known for allowing veterans to purchase a home with no down payment. The loan was created in 1944 as part of the G.I. Bill of Rights and since its inception about 28 million military veterans have used the loan program. Losing access to this program will make it infinitely more difficult for veterans to purchase a home in an already incredible competitive market.

A recent [landmark settlement](#) could have a very negative effect on a sector of potential home buyers who often rely on government-backed mortgages: military veterans. The National Association of Realtors agreed to change its rules to settle legal claims from home sellers who argued that the trade group's policy on commissions forced them to pay excessive fees. Our members are concerned because of this decision veterans will now opt to go unrepresented at the bargaining table because the Veterans Affairs loan prevents them from paying a commission to a buyer agent.

One of the rules of the V.A. loan is that borrowers who use it aren't allowed to pay commission to their real estate agents when buying a home — a mandate designed to shield them from additional costs. And until the N.A.R. settlement, this was rarely an issue, because of how commissions have long been paid: In the United States, most agents specify a commission of 5 or 6 percent, paid by the seller. If the buyer has an agent, the seller's agent agrees to share a portion of the commission with that agent when listing the home on the market.

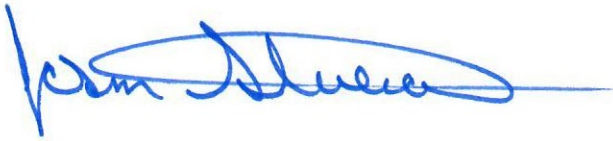
When the N.A.R. settlement goes into those offers of commission are likely to go away, thanks to changes to a key rule that a jury decided was anticompetitive. Without seller agents splitting their commission with buyer agents, buyers who use a real estate agent will now be expected to pick up the bill for their own agents' services. While we applaud the Department of Veterans Affairs [decision to put in place a temporary fix](#), we believe that Congress needs to address this issue with legislation to ensure veterans and their families are not denied access to affordable housing financing options.

We urge the committee to work with DCUC, the VA, and others to find a permanent legislative solution to this unforeseen issue that could impact tens of thousands of veterans and their families from purchasing a home.

Thank you for taking the time to listen to these concerns and we would like to offer an opportunity for you or your staff to meet with us in person or on a zoom call to discuss the issue and our thoughts in greater detail.

Thank you for the opportunity to bring these matters to your attention. Should you have any questions or desire additional information, please do not hesitate to contact me at 202.557.8528 or by email at jstverak@dcuc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Stverak", with a long horizontal line extending to the right.

Jason Stverak