



The Honorable Denis Richard McDonough  
Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

October 17, 2022

Dear Secretary McDonogh,

On behalf of its state housing finance agency (HFA) members, the National Council of State Housing Agencies (NCSHA)<sup>1</sup> urges you to temporarily extend the October 28 expiration date of the Veterans' Affairs Partial Claim Payment (VAPCP) Program for homeowners who have been pre-qualified by their state Homeowner's Assistance Fund (HAF) Administering Agency for those benefits.

The HAF Program, authorized under the American Rescue Plan, continues to be the primary source of assistance for homeowners negatively financially impacted by COVID-19. The program is being operated at the state level by HAF Administering Agencies, forty-two of which are state HFAs, with federal oversight by the Department of Treasury (Treasury). Treasury and the HAF administrators have been working closely with mortgage loan servicers, housing counselors and legal assistance providers, among others, to deliver needed assistance to homeowners. Through June of this year, over 60,000 homeowners have received assistance through HAF. Across all states, the average amount of assistance available to a homeowner is \$40,275.

Even though the VAPCP Program was announced as a temporary program to assist Veteran mortgage loan borrowers impacted by the COVID-19 pandemic, there is still a need for the program. The VAPCP benefits those homeowners who can resume making their regular mortgage payment but have no other way of settling their arrearage. We are in a significantly higher interest rate environment today than when most people obtained their mortgage loan, so giving servicers the ability to continue to use the VAPCP could help prevent homeowners from having to seek a loan modification, which would invariably result in a higher mortgage interest rate and larger monthly payments – the opposite of what a struggling homeowner needs. Furthermore, because the HAF Program expires September 30, 2026, states want to continue to

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<sup>1</sup> NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

have the opportunity to leverage their HAF Program to help Veterans to resume making their regular pre-COVID-19 mortgage payments.

We urge the Department of Veterans' Affairs to extend the expiration date for the VAPCP Program for homeowners receiving HAF Program assistance to help more Veterans to retain their homes, particularly as the COVID-19 pandemic national emergency has not yet ended.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Garth Rieman", with a long horizontal flourish extending to the right.

Garth Rieman  
Director of Housing Advocacy and Strategic Initiatives