



MORTGAGE BANKERS ASSOCIATION

February 12, 2026

The Honorable Mike Bost
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
364 Cannon House Office Building
Washington, D.C. 20003

The Honorable Derrick Van Orden
Chairman
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
364 Cannon House Office Building
Washington, D.C. 20003

The Honorable Mark Takano
Ranking Member
Committee on Veterans' Affairs
U.S. House of Representatives
364 Cannon House Office Building
Washington, D.C. 20003

The Honorable Chris Pappas
Ranking Member
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
452 Cannon House Office Building
Washington, D.C. 20003

Dear Chairmen Bost and Van Orden and Ranking Members Takano and Pappas:

The Mortgage Bankers Association (MBA)¹ appreciates the strong, bipartisan working relationship cultivated with the engaged full Committee and Subcommittee leadership and staff these past many years, including our joint efforts to strengthen and improve the Department of Veterans' Affairs (VA) home loan guaranty program, which remains such a vital earned economic benefit for our nation's heroes.

Given that highly valued partnership, I write today to express our industry's concerns regarding the funding offsets included within the Amendment in the Nature of a Substitute (ANS) to H.R. 6047, the *Sharri Briley and Eric Edmundson Veterans Benefits Expansion Act of 2026*. While fully supportive of the legislation's honorable intent, MBA cannot yet support the ANS in its current form.

By way of further context (and understanding the need for an appropriate revenue mix to administer any federal benefit program of scale), our concerns regarding the funding offsets

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

within the ANS to H.R. 6047 are consistent with our association's traditional position regarding the VA funding fee.

Indeed, as far back as 1982, MBA expressed concerns regarding the "*proposed one-half percentage point 'user-fee' for VA-guaranteed loans...[as] this fee could impose an additional financial burden upon Veterans who wish to become homeowners at a time when record high interest rates already make this goal a difficult one.*"

MBA further opined at the time "*that if Congress chooses to impose a [funding] fee...these funds should be paid directly to the VA and targeted for use by the VA in the administration of the program,...[as] MBA is most concerned that there will be no effort to match the user-fee paid by the Veterans to the service provided and the expenses incurred under the VA home loan guaranty program.*"²

Specifically, MBA is concerned about the offsets in Section 3 of the ANS. Veterans today (just as in the early 1980s) face one of the most challenging housing affordability environments in decades, marked by elevated interest rates, limited inventory (in many markets), and rising home prices. Increasing mandatory fees on VA loans would disproportionately harm Veteran households with modest incomes – many of whom rely on the VA program precisely because it offers lower upfront costs and no down payment requirement.

Rather than expanding access, these fee increases risk reducing utilization of the VA program altogether, as follows:

- **Extending the VA home loan funding fee to 2036** - MBA has consistently urged Congress to avoid prolonging temporary fee increases that were originally authorized to offset VA home loan fee expenses. Continuing this pattern places a disproportionate budgetary burden on Veteran homebuyers instead of funding broader policy priorities through general appropriations.
- **Impact on Interest Rate Reduction Refinance Loans (IRRRLs)** – Raising the IRRRL-related fee to 1.4% will severely increase the cost of a VA loan relative to other comparable products, undercutting the very program designed to reduce refinancing barriers for Veterans.
- **Raising rate of assumptions** – In a high-interest rate environment where assumptions are most valuable, Veterans already find difficulty covering the equity gap provided to the seller. Increasing the fee for assumptions will only raise the barriers to utilizing the benefit and further limit its accessibility.

As I mentioned, our association fully supports the intent to provide improved disability and dependency benefits for Veterans and their survivors. However, the bill effectively funds those worthy benefit expansions by burdening Veteran homebuyers through higher mortgage fees.

² U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Housing and Memorial Affairs, VA Home Loan Guaranty Program, hearing, 97th Cong., 2nd sess., March 23, 1982, p. 108

Homeownership is a foundational component of long-term financial stability - and it should not continue to be treated as a primary source of revenue to enable policy changes outside of the home loan program.

Conclusion

MBA understands and fully supports the goal of this legislation – to ensure Veterans receive the disability and survivor benefits they deserve. However, we cannot yet support the ANS to H.R. 6047 (as currently drafted) given the harmful impacts its funding fee increases would have on Veterans' access to affordable home financing.

We respectfully ask that the Committee work to revise Section 3 to remove or substantially modify the proposed fee increases and extensions. MBA thanks the bipartisan leadership of the Committee for the open and collaborative dialogue on this legislation to date – and would welcome the opportunity to continue working with you (and other key stakeholders) on solutions that preserve affordable access to the VA home loan program.

As always, MBA looks forward to working with leaders in both the House and Senate to help provide the VA with the resources necessary to implement changes and improve the delivery of the home loan guaranty program benefit to our nation's heroes and their families.

Thank you in advance for your consideration of the views expressed within this letter.

Sincerely,



Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: All Members, House Committee on Veterans' Affairs