

**ONE HUNDRED AND FIRST NATIONAL CONVENTION  
OF  
THE AMERICAN LEGION  
Indianapolis, Indiana  
August 27, 28, 29, 2019**

**Resolution No. 22: Support The Immediate Refund Of All Improperly Received VA Home Loan Guaranty Funding Fees**

**Origin: Texas**

**Submitted by: Convention Committee on Veterans Employment & Education**

**(As Amended)**

WHEREAS, The Veterans Benefits Administration (VBA) administers the Department of Veterans Affairs (VA) Home Loan Guaranty Program; and generally, veterans must pay a funding fee to the VA on the day the veteran borrower signs the final loan application; this fee offsets the costs of administering the VA Home Loan Guaranty; and

WHEREAS, Veterans are exempt from paying the VA funding fee if they are entitled to receive VA disability compensation for service-connected disabilities; and

WHEREAS, A 2019 Office of the Inspector General review audit estimates that approximately 72,900 veterans paid the funding fee at loan origination despite qualifying for the funding fee exemption; the range of funding fees paid were from a low average of \$4,483 and as high as \$19,470; and

WHEREAS, An Office of the Inspector General review of the VA Home Loan Guaranty Program's funding fee procedures and policies estimates that between CY 2012 and CY 2017, the VA has not returned approximately 53,000 of the 72, 900 total exempt veterans their home loan funding fee refunds for charges totaling approximately \$189 million; in CY 2017 and 2018, the VA Home Loan Guaranty Program generated \$2.2 and \$2.0 billion respectively for the Department of Treasury; and

WHEREAS, Effective immediately the VBA's Loan Guaranty Service management should take immediate steps to establish policies and institute program-wide continuous improvement and controls to prevent future incorrect home loan funding fee charges; and

WHEREAS, Effective immediately, the VBA's Loan Guaranty Service management should be accountable and transparent in their plans to refund all improperly received funding fees to exempt veterans; now, therefore, be it

**RESOLVED, By The American Legion in National Convention assembled in Indianapolis, Indiana, August 27, 28, 29, 2019, That The American Legion supports the immediate refund of all improperly received Department of Veterans Affairs Home Loan Guaranty funding fees.**