

**NINETY-EIGHTH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
Cincinnati, Ohio
August 30, 31, September 1, 2016**

**Resolution No. 314: Support Elimination of the VA Home Loan Funding Fee
Origin: Convention Committee on Veterans Employment & Education
Submitted by: Convention Committee on Veterans Employment & Education**

WHEREAS, The Department of Veterans Affairs (VA) Home Loan Guaranty Program has been in effect since 1944 and has afforded approximately 20 million veterans the opportunity to purchase and refinance homes; and

WHEREAS, The VA Home Loan Guaranty Program offers veterans an affordable and easy to use method of purchasing homes in return for their service to this nation; and

WHEREAS, The VA funding fee charged to veterans was enacted into law to defray the costs of the VA guaranteed home loan program; and

WHEREAS, Funding fees collected each year virtually always exceed the costs of operating the program; and

WHEREAS, The current fee of 2.15 percent for first-time users amounts to a principal payment of nearly \$4,500 by the veteran on the current average loan of \$209,000; and

WHEREAS, This is the equivalent of requiring the veteran to "purchase" a benefit that historically could be used cost free; and

WHEREAS, The VA funding fee that is collected goes to a Department of Treasury account that sustains that VA Home Loan Program, with excess monies used to pay for other federal government programs and expenses; and

WHEREAS, Congress is required to fund the operation of the home loan program because the program has "permanent and indefinite budget authority"; and

WHEREAS, The funding fee paid to VA has had a negative effect on many veterans by adding significantly to the cost of a VA loan, or by deterring other veterans from using an earned benefit; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Cincinnati, Ohio, August 30, 31, September 1, 2016, That The American Legion supports the elimination of the Department of Veterans Affairs (VA) Home Loan funding fee; and, be it finally

RESOLVED, That The American Legion petition Congress to appropriate funding to sustain the VA Home Loan Program.