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| **For Immediate Release:** | **Contact:** Megan Taylor |
| October 10, 2017 | 202-224-6244 |

**Heller to VA: Protect Nation’s Veterans from Predatory Home Lending Practices**

**Washington, D.C.** – U.S. Senator Dean Heller (R-NV) today urged the U.S. Department of Veterans Affairs (VA) to protect America’s military veterans from predatory home lending practices.

Heller, a senior member of the U.S. Senate Veterans’ Affairs Committee, [sent a letter](https://www.heller.senate.gov/public/_cache/files/fe3b86dc-a18a-4cf9-9b2a-3d1db6c18225/10102017%20Heller%20Letter%20to%20the%20VA%20re%20veterans%20home%20loan%20program.pdf) to VA Secretary David J. Shulkin demanding that the VA take the necessary steps to curb predatory refinancing through the VA’s Interest Rate Reduction Refinance Loan products (IRRRL). Heller requested the Secretary provide answers as to how the VA plans to stop abusive churning practices and if the department will commit more resources to immediately respond to the problem.

Heller’s letter comes shortly after the Chicago Tribune [reported](http://www.chicagotribune.com/classified/realestate/ct-re-1001-kenneth-harney-20170926-story.html) that officials at the Government National Mortgage Association, better known as Ginnie Mae, say some veterans are being flooded with misleading refi offers and are signing up without assessing the costs and benefits.

“There are stories of veterans, particularly those utilizing a Department of Veterans Affairs (VA) Home Loan, being inundated with countless phone calls and mail trying to persuade veteran borrowers to refinance their home loans just so that lender can make a quick profit, sometimes resulting in the veteran refinancing multiple times a year,” **wrote Heller**. “This is a practice that unfortunately has been used so much it is called “churning” and in many cases is detrimental in the long-term to the veteran’s home loan. It is my understanding that Ginnie Mae is considering civil legal actions against some lenders and working on additional protections to avoid harmful impacts on Ginnie Mae securities.

**Heller continued**, “My concern is that the VA is not taking the necessary steps to curb predatory refinancing through VA’s Interest Rate Reduction Refinance Loan products. The VA’s primary interest should be to protect veteran borrowers, and to date I have not heard what actions your agency is taking to stop the dangerous churning practices.”

As a senior member of the Senate Veterans’ Affairs Committee, one of Heller’s top priorities in Congress is supporting Nevada’s 300,000 military veterans. In September, [Heller sent a letter asking Equifax Inc](https://www.heller.senate.gov/public/index.cfm/2017/9/heller-donnelly-call-on-equifax-to-detail-actions-being-taken-to-protect-servicemembers). to detail the actions being taken by the company to protect servicemembers’ personal information in light of the recent Equifax data breach.

**The letter reads in full:**

October 10, 2017

Secretary David J. Shulkin

U.S. Department of Veterans Affairs

810 Vermont Avenue, NW

Washington, DC 20420

Dear Secretary Shulkin,

As a member of the Senate Veterans’ Affairs Committee, I’ve greatly appreciated your work on behalf of the veteran community in Nevada and for your personal engagement on issues that are important to my home state.  Today, I’m writing to you regarding recent reports of abusive home lending marketing practices to veteran borrowers.

As you may know, there has been significant increase of military veterans refinancing their home loans after being pushed by strong-armed lenders in order to increase fees with little to no benefit for the veteran.  There are stories of veterans, particularly those utilizing a Department of Veterans Affairs (VA) Home Loan, being inundated with countless phone calls and mail trying to persuade veteran borrowers to refinance their home loans just so that lender can make a quick profit, sometimes resulting in the veteran refinancing multiple times a year. This is a practice that unfortunately has been used so much it is called “churning” and in many cases is detrimental in the long-term to the veteran’s home loan.  It is my understanding that Ginnie Mae is considering civil legal actions against some lenders and working on additional protections to avoid harmful impacts on Ginnie Mae securities.

My concern is that the VA is not taking the necessary steps to curb predatory refinancing through the VA’s Interest Rate Reduction Refinance Loan (IRRRL) products.  The VA’s primary interest should be to protect veteran borrowers, and to date I have not heard what actions your agency is taking to stop the dangerous churning practices.

As a senior member of the Senate Veterans’ Affairs Committee, I respectfully request answers to the following questions:

1. Do you believe that an increasing number of VA Home Loan participants are being taken advantage of through churning practices?
2. What changes will the VA make to IRRRL program rules to stop abusive churning practices?
3. Are there any other efforts the VA can take to combat this abusive practice that is harming our veterans?
4. Has the VA tracked that veterans are refinancing up to three times in one year and worked to understand why this would occur?
5. Will the VA commit to providing more resources and attention within your agency to immediately respond to this pressing issue?

I appreciate your consideration of my requests.  Thank you for all your efforts, and I look forward to working with you on this and other issues important to veterans in the Silver State.

                                                                        Sincerely,

                                                            DEAN HELLER

                                                            U.S. Senator