

PART I—THE DEPARTMENT OF VETERANS AFFAIRS (VA) GUARANTEED HOME LOAN PROGRAM

"Know the Program."

-Joseph W. Gaul

Chapter I-1—Background

The Veterans Administration (VA) loan history goes back to the World War II era, when the VA was founded. At that time, "the VA mainly provided medical benefits, hospital treatments, rehabilitation facilities, and insurance for service members."ⁱ

However, supporters believed that "the Government should provide the means whereby the veteran could obtain favorable credit which would permit him/her to shelter his/her family and place

VA programs are intended to benefit men and woman because of their service to the country.

the veteran on a par with his or her nonveteran counterpart."ⁱⁱ Therefore, in 1944, the VA set an objective to assist eligible veterans to become

homeowners. The first legal framework was set forth in Title III of the Servicemen's Readjustment Act of 1944.ⁱⁱⁱ Since then new legislation widened the scope of the foundation act to the benefit of veterans.

"The Veterans Housing Act of 1970 removed all termination dates for applying for VA-guaranteed housing loans... The Veterans Housing Benefits Improvement Act of 1978 expanded and increased benefits for millions of American veterans. The Veterans Home Loan Program Amendments of 1992 expanded the program to include Reservists and National Guard."^{iv}

Since 1944, the VA loan program has helped more than 18 million service members achieve the dream of homeownership. VA loans continue to make homeownership possible for thousands of veterans who might otherwise struggle to secure financing. Still, it is considered an unused benefit. Look at some startling facts:

- Fewer than 13 percent of the country's 25 million veterans have utilized their VA loan benefits.

- Many service members do not think they qualify for a VA loan nor are sure how to get one.
- 20 percent of veterans didn't even know about the VA home loan benefit."^v