

May 7, 2025

The Honorable Douglas A. Collins
Secretary of Veterans Affairs
810 Vermont Avenue NW
Washington, DC 20420

RE: Temporary Partial Claim Program

Dear Secretary Collins:

In response to the cancellation of the Veterans Affairs Servicing Purchase (VASP) Program,¹ our organizations urge your team to reestablish a temporary partial claim program through the end of 2025. The VA has pre-existing legal authority to do this and could quickly stand up the program, with a strict, but reasonable end-date, to provide adequate time for all Veterans who received forbearance assistance to resolve their delinquencies.

Our organizations believe that Veterans who secured a VA loan as a benefit for serving our country deserve access to assistance that will help them avoid foreclosure when they face financial hardship. However, with the termination of VASP, the programs available to assist Veteran borrowers are limited, relative to other borrowers with other federally backed loans.

We believe that there are as many as 75,000 Veterans who are seriously delinquent on their mortgage and at risk of foreclosure if the VA cannot provide them with a viable solution. Fortunately, the VA already has an off-the-shelf program that is readily available to deploy, the Veterans Assistance Partial Claim Program. We believe that this program could be temporarily restored with the issuance of a one sentence Interim Final Rule² (See Attachment A), that could allow for its use through the end of 2025. The program would rely on the same statutory authority that the VA has used extensively over the last 60 years to help Veterans in need.³

We are committed to working with the VA to reach common sense policy solutions to improve the long-term health of the VA Home Loan Guaranty program. We pledge to work with Congress on a bi-partisan basis, the VA, and other stakeholders to identify ways to maintain the strength of the VA home loan program while providing Veteran borrowers facing financial hardship with economically viable solutions to retain their homes and avoid foreclosure. We thank you for your work on behalf of Veterans and look forward to working with you on these issues.

¹ See VA [Circular](#) 26-25-2 issued on April 23, 2025.

² The VA could simply recodify 38 C.F.R. § 36.4809 by striking through the “180” day policy with a “960” day policy, which would allow the program to run through December 31, 2025, as the COVID National Emergency ended on May 11, 2023.

³ 38 U.S.C. § 3732 (a)(2).

Sincerely,

American Latino Veterans Association
Association of Military Banks of America
Center for Responsible Lending
Community Home Lenders of America
Housing Policy Council
Iraq and Afghanistan Veterans of America
National Consumer Law Center (on behalf of its low-income clients)
National Council of State Housing Agencies
National Housing Conference
National Housing Resource Center
National Mortgage Servicing Association
Operation Homefront (on behalf of thousands of military and veteran families applying for its Critical Financial Assistance and Housing programs annually)
Veterans Association of Real Estate Professionals

Attachment A

Administrative Process

VA should publish either:

- 1) an Interim Final Rule to extend the length of VAPCP from 180 days beyond the date of the COVID-19 National Emergency to 960 days

§36.4809 Expiration of the COVID-19 Veterans Assistance Partial Claim Payment program.

~~(a) Subject to paragraph (b) of this section,~~ The Secretary will not accept a request for a partial claim payment after the date that is ~~180~~ 960 days after the date the COVID-19 national emergency ends under the National Emergencies Act, 50 U.S.C.161.

~~(b) If a veteran's COVID-19 forbearance does not end until after the date described in paragraph (a) of this section, the Secretary shall accept a request for a partial claim payment, provided that such request is submitted to the Secretary not later than 120 days after the date the veteran exits the COVID-19 forbearance.~~

~~(c) Notwithstanding paragraphs (a) and (b) of this section, the Secretary will not accept a request for a partial claim payment after October 28, 2022.~~

- 2) a Proposed Rule creating a substantially similar temporary partial claim program as VAPCP citing existing authority under *38 U.S.C. § 3720*; or
- 3) a VA Circular without rulemaking drawing on existing statutory authority (*38 U.S.C. § 3720*).

We believe that Option 1 looks to be the quickest and most effective option.