

April 28, 2026

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

RE: Implementing President Trump's Executive Order "Promoting Access to Mortgage Credit"

Dear Secretary Collins,

On behalf of the undersigned organizations, we write to express our support for the policy opportunities presented by President Trump's March 13, 2026, Executive Order "Promoting Access to Mortgage Credit¹." Pursuit of the policy goals outlined in the Executive Order, by the U.S. Department of Veterans Affairs (VA) and other agencies, has the potential "to improve the availability and affordability of mortgage credit".

To that end, we request that the VA work to fulfill the directive of Section 6(b) of the Executive Order, which states:

The Secretary of Housing and Urban Development (HUD) and the Secretary of Veterans Affairs (VA) shall consider, as appropriate and consistent with applicable law:

- (i) aligning appraisal standards between the Federal Housing Administration and VA Home Loan Program where risk is comparable;
- (ii) clarifying the distinction in an appraisal inspection between safety and habitability concerns that necessitate pre-closing repairs versus cosmetic concerns; and
- (iii) expanding post-closing repair flexibility.

Our organizations recommend modernizing the VA collateral valuation process to align it with the collateral valuation standards established by Fannie Mae and Freddie Mac (collectively, the GSEs) or the Federal Housing Administration (FHA). We believe this change could be one of the most direct and effective ways to remedy the sometimes negative market perception of the VA Home Loan Guaranty Program. Of equal importance, an aligned approach to valuation would improve the utilization and delivery of the VA home loan benefit.

The most significant change that we urge the VA to make is to adopt the GSE's property condition standards as a replacement for the VA Home Loan Guaranty Program minimum

¹ Promoting Access to Mortgage Credit, White House Executive Order, Mar. 13, 2026, <https://www.whitehouse.gov/presidential-actions/2026/03/promoting-access-to-mortgage-credit/>.

property requirements. The GSE's strong consumer protection standards are associated with the most widely used financing programs in the market that some veterans opt to use as an alternative financing due to the complications added by the VA minimum property requirements. This change alone, which would still clearly protect veterans from purchasing substandard housing, would make a substantial difference in reducing the friction that can discourage use of the VA Home Loan Program.

Another key opportunity to reduce the friction associated with the VA home loan program would be to reduce the costs and wait times that are associated with the program, which present significant challenges in a capacity constrained mortgage market. Reducing the barrier of entry for appraisers to become eligible to perform appraisals on VA properties would reduce cost and delays. We recommend eliminating the 5-year experience standard, which is both out of synch with other federal programs and unnecessarily restrictive.² This change would allow for broader participation from qualified appraisers (in which there is already a dwindling population), shorten appraisal wait times, reduce appraisal costs for veterans, and improve the ability of veterans living in rural areas to get an appraisal.

Lastly, we urge the VA to expand the use of alternative valuation methods. We appreciate that the VA has recently implemented some alternative methods, including desktop appraisals, but the overall framework for ordering, performing, and delivering an opinion of value for a VA home loan constrains their use when compared to GSE or FHA models. For this reason, the VA process, even with the recent updates, does not provide the same level of scalability or timeline flexibility available in the GSE and FHA programs. To remedy this, we recommend that the VA join both FHA and the GSEs by adopting the new Uniform Appraisal Dataset 3.6 to align with industry accepted standards and strengthen its collateral risk management capabilities.

Our organizations believe that the VA home loan program is one of the most important benefits that servicemembers receive for the sacrifices they make for our country. Aligning the VA home loan program with either conventional GSE or FHA financing would make the VA programs more efficient and more appealing, enhancing the utility of this important benefit. In turn, this will assist veterans as they pursue the American dream and promote the VA mission of serving those who have honorably served us.

We look forward to working with the VA to continue to strengthen the Home Loan Guaranty Program and would welcome the opportunity to meet with you – to the extent possible, jointly—to discuss our recommendations and concerns. Please have your staff contact Matt Douglas at matt.douglas@housingpolicycouncil.org with any questions or to arrange further discussion. Thank you for your consideration.

² 38 C.F.R. § 36.4342 (2026).

Sincerely,

**American Bankers Association
America's Credit Unions
Association of Military Banks of America
Broker Action Coalition
Collateral Risk Network
Housing Policy Council
Independent Community Bankers of America
Mortgage Bankers Association
Real Estate Valuation Advocacy Association**