

OUTREACH INITIATIVES 1987-1997

Native American Veteran Housing Outreach Efforts

The Native American Veteran Direct Loan Pilot Program, enacted by P. L. 102-547 in 1992, authorized VA to make direct home loans to Native American veterans living on trust lands. These are loans which VA makes directly to the veteran. VA also has a guaranteed loan program, in which private mortgage lenders make the loans to the veterans and VA guarantees a certain percentage of the loan amount to the lender, in lieu of a downpayment from the veteran.

VA field personnel and Central Office staff conduct outreach efforts on a continuous basis. VA began its outreach efforts by sending an announcement of the Native American Veteran Direct Loan Program to approximately 675 individuals and groups identified by the U.S. Bureau of Indian Affairs as representatives of all federally-recognized tribes, as well as to authorities representing the Pacific Islanders, individuals representing Native American interest groups, Indian Housing Authorities, and individuals interested in obtaining further information on this Program. Included in this mailing was a prototype Memorandum of Understanding for tribes to review and to model their own MOUs after, as well as copies of VA Pamphlet 26-93-1, VA Direct Home Loans for Native American Veterans Living on Trust Lands. Both the announcement letter and the pamphlet explained who was eligible for the program and the prerequisite that an MOU be signed between VA and the tribe, and provided regional contacts for more information.

Continuous outreach continues on several levels. As a result of mailing the announcement letter, many inquiries were made to VA Central Office Loan Guaranty Service and to Regional Offices. All interested parties were provided additional information and guidance on how to proceed. In addition to the letters VA personnel have met, on numerous occasions, with representatives of individual tribes, Native American organizations, including the National American Indian Housing Council, the American Indian Trade and Development Council, and the American Indian Veterans Center, Inc. VA has attended conferences held by the American Indian Housing Council and the National Indian Policy Center. Meetings have also been held between VA and representatives of the Bureau of Indian Affairs. VA has also been an active participant in the Department of Housing and Urban Development's National Homeownership Conferences for Native Americans sponsored by HUD's Office of Native American Programs.

Those VA Regional Offices with trust territory within their jurisdiction have been very busy conducting outreach. This outreach has been in the form of sponsoring and attending workshops on trust territory for veterans and tribal housing authorities, attending meetings of tribal leaders to discuss the program, meeting with BIA Area Office staff, arranging for the publication of articles in tribal newsletters, general information mailings to tribal veterans and mailings to tribal leaders requesting their assistance in identifying eligible veterans.

Customer Satisfaction Surveys

Since May 1994, the VA Home Loan Guaranty Service has been conducting Customer Satisfaction Surveys and Program Participant Surveys in order to evaluate the effectiveness and user-friendliness of the Home Loan Guaranty Program. Results from these annual surveys are provided directly to VA Regional Offices. The results of these surveys, while very positive for the most part, have been helpful in determining allocation of resources and areas requiring additional training,

In 1996, VA has received over 2,500 surveys from veterans who had recently obtained guaranteed loans. Almost 97 percent of the respondents indicated that they had been treated courteously by VA employees, and almost 90 percent were satisfied or highly satisfied with their lenders.

Results from surveys received between June 1995 and January 1996 show an increase in veterans satisfaction in almost all areas. Since veterans are more satisfied with lenders and real estate agents as well as with VA, it is difficult to attribute their increased satisfaction to anything that we have done. However, VA field personnel are congratulated for providing information with which over 98% of respondents were satisfied or highly satisfied.

VA continues conducting these two surveys. Results of prior years' surveys for individual Regional Offices and comments from survey respondents are distributed to Regional Offices, although for most stations there will not be enough data to be able to reliably compare yourselves with other stations.

Interest Rate Reduction Refinancing Loan (IRRRL) Outreach Project

In early 1994 interest rates were at very low levels relative to what they had been. We were aware that there were thousands of VA guaranteed loans on the books at significantly higher rates. Thus it was felt a massive mailing to veterans with high interest rate loans would be helpful.

Encouraging veterans to obtain an IRRRL loan was a win win proposition. Veterans would benefit by having their interest rates lowered, and in most cases their monthly payments. This would in turn benefit VA because the loans with lower payments and interest rates would have a better chance of performing well.

A letter, similar to the one attached, was mailed to thousands of veterans. As a testimony to the effectiveness and success of the program, VA loan volume in FY 1994 was 602,244 which was up from 383,303 the previous fiscal year. A large percentage of these loans were IRRRLs.

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THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

Dear Veteran Homeowner,

Did you know that home mortgage interest rates are at their lowest levels in more than 20 years? Do you know you can convert your VA loan to a new loan at a lower interest rate, even if you are not now living in the house, and maybe even with no out of pocket expense?

VA has an Interest Rate Reduction Refinancing Loan (IRRRL) program which allows a veteran with an outstanding VA loan to obtain a new loan at a lower interest rate by using the same entitlement he or she previously used to obtain the home. If you still own the house you bought with your VA benefits, and the VA loan has not been paid off, you may want to give careful consideration to the following:

- o Our records show that you have an outstanding VA loan at an interest rate of 08.75 percent. With current interest rates at approximately 7 percent, your monthly mortgage payment could be reduced by as much as \$ 1.03 for every \$1000 that you owe on that loan. To calculate your possible monthly savings, multiply your mortgage balance (in thousands) by \$ 1.03.
- o A loan can be obtained from any VA lender, and VA does not require any credit underwriting or a property appraisal. If you need help in finding a lender who makes such loans without requiring a property appraisal or a credit check, call VA at 1-800-827-1000.
- o The reverse of this letter contains more detailed information about IRRRLs.
- o If you no longer own the home you obtained with a VA loan, or if your loan has been paid off, please disregard this letter and let me say how pleased I am that VA has been able to assist you in the past with your housing needs.

Sincerely yours,

Jesse Brown

Notice of Assistance to Veterans with Delinquent GI Loans
(Ongoing since 1988)

The VA Home Loan Guaranty Program assists veterans to obtain homes with no or low downpayments. When veterans are unable to make their payments on those loans, the mortgage companies must notify VA about the defaults, and VA then takes an active role in assisting veterans to keep their homes. Unless a borrower is in Bankruptcy, VA mails a letter to advise of the alternatives to foreclosure and the availability of assistance from VA in the form of counseling to explore the alternatives.

Outreach to Recently Discharged Veterans and others affected by Base Closings
(Ongoing since 1993)

When the downsizing of the military and associated base closings became widespread, VA undertook a program to notify borrowers with VA-guaranteed (GI) loans about the availability of assistance and counseling from VA. VA coordinated with the Department of Defense to obtain address information for active duty service members, civilian employees, and reservists with GI loans. A mass mailing to these individuals occurred in 1994, and since that time VA has continued on a quarterly basis to notify recently discharged veterans with GI loans of the assistance available to them from VA.