

Department of Veterans Affairs



***VBA
Loan Guaranty
Service
Homeless Shelter***

Loss Mitigation---Homeless Prevention

- Home Retention Options
 - Repayment Plan: The borrower makes regular installment each month plus part of the missed installments.
 - Special Forbearance: The servicer agrees to temporarily suspend payments or foreclosure action to allow the borrower to reinstate the loan or sell the property.
 - Loan Modification: Provides the borrower a fresh start by adding the delinquency to the loan balance and establishing a new payment schedule.
 - Private sale: The servicer agrees to delay foreclosure and allow additional time for the borrower to arrange and close a private sale if the loan will be paid off.

Loss Mitigation---Homeless Prevention *(cont.)*

- Foreclosure Avoidance Alternatives
 - Short Sale/Compromise Sale: When the servicer agrees to allow a borrower to sell his/her home for a lesser amount than what is currently required to payoff the loan. VA will pay the difference up to the maximum guaranty on the loan.
 - Deed-in-Lieu of Foreclosure: The borrower voluntarily agrees to deed the property to the servicer instead of going through a lengthy foreclosure process.

VA REO Properties as Shelter for Homeless Vets

- VA's Homeless Shelter Program authorizes the use of properties acquired as a result of foreclosure to shelter homeless Veterans.
 - Properties are sold at significant discount to qualified non-profits who provide shelter and supportive services.
 - VA currently requires the non-profit to use the property to shelter homeless Veterans for a period of no less than 3 years, at which point they can either continue the same tack or dispose of the property as they choose.
- Last year we sold 4 properties under this program; through August, we've sold nearly 40.
- VA will be making some significant enhancements to this program in the very near future, and we highly encourage interested non-profits to contact VA to become qualified purchasers.

Important Contact Information

- Veterans can call VA toll-free to discuss ways to avoid foreclosure.....**(877) 827-3702**
- **www.benefits.va.gov/homeloans**
- Not-for-Profit Organizations who want to be qualified to purchase VA-owned homes for sheltering homeless Veterans, may email VA at: **homelessness.vbaco@va.gov**