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VA, Ginnie Mae Create Task Force to Address Mortgage Refinancing Issues

WASHINGTON — Today, the Government National Mortgage Association (Ginnie Mae) and the Department of Veterans Affairs (VA) announced the formation of the Joint Ginnie Mae – VA Refinance Loan Task Force.

The task force will focus on examining critical issues, important data and lender behaviors related to refinancing loans, and will determine what program and policy changes should be made by the agencies to ensure these loans do not pose an undue risk or burden to Veterans or the American taxpayer.

More specifically, the task force will examine aggressive and misleading refinancing propositions, as [described by the Consumer Financial Protection Bureau](#), and will address loan churning and repeated refinancing.

Both agencies agree that VA and Ginnie Mae programs work best when they are used by market participants in ways that provide a benefit to Veteran borrowers and, ultimately, lower Veterans' costs.

The task force has started its work by examining data and information to ensure loans provide a net tangible benefit to Veteran borrowers, and consider establishing time frames regarding recoupment of fees associated with refinancing loans.

It will also examine the impact of establishing stronger seasoning requirements for VA-guaranteed loans that are securitized into Ginnie Mae Mortgage Backed Security pools. Additionally, the task force will work to ensure Veterans understand the costs and benefits of refinancing, and ensure robust borrower outreach and education programs are augmented for this purpose.

Ginnie Mae and VA will arrange joint discussions with individual lenders whose demonstrated origination practices may negatively affect Veteran borrowers or increase program costs and risks.

The task force will continue to work collaboratively until concrete solutions have been implemented to eliminate lender behavior that is unhelpful to Veterans and harmful to the American taxpayer.

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