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Washington, DC 20420
(202) 461-7600
www.va.gov

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VA's Home Loan Guaranty program provides regulatory relief in response to COVID-19

WASHINGTON — The U.S. Department of Veterans Affairs (VA) announced today that VA is allowing home mortgage loan deferments for Veterans who have experienced financial hardships due to the COVID-19 national emergency.

In [Executive Order 13924](#) President Trump directed federal agencies to rescind, modify, waive, or provide exemptions from regulations and other requirements that may inhibit economic recovery.

Many Veterans have taken advantage of the loan forbearance program provided by the [Coronavirus Aid, Relief, and Economic Security Act](#) (CARES Act). Under the Act, borrowers who have federally-backed loans can receive forbearance of their monthly home loan payments, for up to 360 days. Forbearance does not mean forgiveness. As Veterans exit their CARES Act forbearance periods, they must work with their mortgage company to determine when to repay the missed amounts.

To protect against predatory lending, VA regulations generally prohibit a large, lump-sum balloon payment from being included in the loan. However, temporarily waiving the regulation in these limited circumstances means [Veterans have additional options](#) when resuming regular monthly payments after a CARES Act forbearance — without penalty, additional interest, or late fees.

“A loan deferment can work like a reset button to help alleviate economic burdens some Veterans may be experiencing,” said VA Secretary Robert Wilkie. “Providing loan deferment as an option could be the one thing standing between financial normalcy and foreclosure.”

VA cannot require mortgage companies to offer loan deferments. Veterans who want to know whether loan deferment is an option should consult their mortgage company directly. Learn more about [VA's deferment options](#).

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