

VA



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VA announces new options to help Veterans avoid foreclosure

WASHINGTON — The Department of Veterans Affairs is offering a new COVID-19 Refund Modification option to assist Veterans who require a significant reduction in their monthly mortgage payments because of the COVID-19 pandemic.

In some cases, Veterans can receive a 20% payment reduction — in others, the reduction can be even larger.

This new option is part of the of [Biden-Harris administration's expanded, government-wide effort](#) to help homeowners retain their homes as they weather the economic challenges resulting from the ongoing pandemic.

Under the COVID-19 Refund Modification, VA can purchase a Veteran's past due payments and amounts of unpaid principal, depending on how much assistance is necessary, subject to certain limits. Loan servicers also modify the loan. These efforts help ensure that the Veteran can afford future mortgage payments.

"The COVID-19 Refund Modification provides Veterans a lasting and affordable solution to keeping their homes and avoiding foreclosure," said VA Secretary Denis McDonough. "As our country recovers and rebuilds from the economic devastation brought on by the pandemic, VA and the Biden-Harris administration continue to make every effort to help Veterans keep a roof over their head as they get back on their feet."

Like with VA's [COVID-19 partial claim option](#), the Veteran's deferred indebtedness from a COVID-19 Refund Modification will be established as a junior lien. The junior lien will not accrue interest; will not require monthly payments; and will only become due when the property is sold, the guaranteed loan is paid off, or the guaranteed loan is refinanced.

Veterans can get a COVID-related forbearance through Sept. 30, 2021.

To learn more about this new option visit [VA's Home Loan Program](#) or call 877-827-3702.

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