



Purchasing a VA Home & Homeless Shelter Program

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Agenda

1. Purchasing a VA Home
2. Homeless Shelter Program(HSP) Overview
 - a. Controlling Statute
 - b. Program Objectives
3. HSP Operation
 - a. Types of Eligible Participants
 - b. Application Process
 - c. HSP Participant Home Purchase Process
4. Questions and comments



Frequently Asked Questions in the VA Home Buying Process

A screenshot of a website's frequently asked questions section. The background is a blurred image of a house. A large, 3D gold question mark is positioned on the right side of the screenshot. The text is displayed in white and green boxes.

Frequently Asked Questions

Do I have to be a veteran to purchase one of the homes listed on this site?
- No

Do I have to use a VA loan to purchase a home listed on this site?
- No



5 Steps in the VA Home Buying Process

1. Search for VA available homes on the website <http://listings.vrmco.com/>
2. Tour the home with the real estate agent of your choice
3. Submit offer via your agent
4. Execute a sales contract
5. Close on the VA home



Step 1 - Search the Website for Home

Step 1 - Searching for a Home

Welcome to LISTINGS.VRMCO.COM

The image shows a screenshot of the VRMCO Online Real Estate Marketplace website. The page is titled "VRMCO Online Real Estate Marketplace" and features a search bar with fields for "State", "City", and "Zip". Below the search bar is a map of the United States. The page also includes a section titled "VRM Honors all who served." and a "Welcome to LISTINGS.VRMCO.COM" banner. A property listing is visible, showing a house with a price of \$1,200,000 and a "View Details" button.



Step 2 – Tour Home With Agent

Step 2 - Touring the Home & Working with an Agent

Once you have found a home that you are interested in touring, please have your agent set up a viewing with the agent listing the home, also known as the listing agent.

If you are not currently represented by an agent, you can contact the listing agent and see if they are able to represent you in the transaction.





Step 3 – Submit Offer

Step 3 - Submitting the Offer

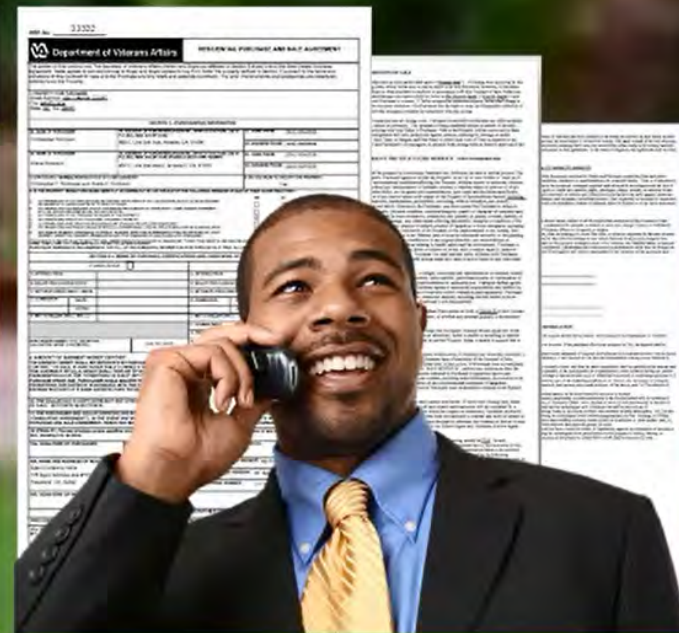
Your agent will complete the standard contract and send to the Listing Broker.

The listing broker will then present the offer to the VA's representative in the transaction, VRM Mortgage Services.

Offers will be negotiated by VRM Mortgage Services.

- 24 -48 hr response time
- Properties are sold As-Is

All buyers are urged to obtain a home inspection.





Step 4 – Execute Contract

Step 4 - Contract Execution

If your offer is accepted, you will be asked to sign new paperwork and provide additional documentation that will include:

- Pre-populated contract
- Seller's Disclosure
- Mold and Radon Disclosure
- Earnest Money Deposit
- Proof of Funds / Pre-Approval
- Lead Based Paint Disclosure (if home was built before 1978)

Once the package is reviewed and signed by the seller, you will move into the closing phase of the transaction.





Step 5 – Close on the House

Step - 5 The Closing Process

Buyer chooses the closing company.

A buyer cannot take possession until closing is complete.

Occasionally closing delays occur. Reasons for delays include:

- Separate Internal Title Review
- Awaiting Lender Financing
- Closing Documents Not Yet Reviewed or Approved
- Closing Company / Buyer Scheduling Conflicts

The seller is under no obligation to extend, and reviews each contract on a case by case basis.

VA Title Approval Process

- Quit Claim Deed
- Special Warranty Deed





HSP Controlling Statutes

38 U.S.C. §2041	To assist homeless Veterans and their families in acquiring shelter, the Secretary may sell VA-acquired properties to nonprofit organizations, with preference being given to any organization named in, or approved by the Secretary under, section 5902 of this title; or (B) any State or any political subdivision thereof.
38 U.S.C. §5902	The Secretary may recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as the Secretary may approve, in the preparation, presentation, and prosecution of claims under laws administered by the Secretary.



How Does a Nonprofit Become Eligible?

- ❖ The nonprofit must obtain a VA eligibility letter.



How Does a Nonprofit Become Eligible?

❖ There are three types of eligible homeless providers:

1. Government Units

2. Preferred Nonprofits

- Prescribed by statute in 38 U.S.C. § 5902. Preferred Organizations include the American National Red Cross, Disabled American Veterans, Veterans of Foreign Wars and such other organizations that VA may approve.

3. Qualified Nonprofit Organization



How Does a Nonprofit Become Qualified or Eligible?

If a nonprofit does not have this documentation, they must provide VA with certified true copies of the following documents signed by authorized officials of the organization meeting all six (6) conditions:

1. **Not seeking profit** – The net earnings of the nonprofit does not benefit any member, founder, contributor or individual.
2. **Voluntary board** – Nonprofit has a voluntary board. The document must include the printed names, signatures, residential addresses, email addresses, telephone, and social security numbers of all board members.
3. **Accounting** – Copies of the previous fiscal year's statement of income and expenses (and for the current year if more than 6 months into the current fiscal year) and a current balance sheet. These documents must be in accordance with accepted accounting principles.
4. **Resources** – A list of locations where the nonprofit is helping the homeless including the street address, email address, telephone number and responsible person at each location.
5. **Federal Tax Exemption** – A copy of an individual or group determination or ruling letter from the IRS stating the nonprofit is exempt from payment of Federal income taxes, and a statement from the nonprofit that the letter of exemption is still in effect.
6. **Delegated Authority** – A resolution by the voluntary board delegating certain officers or members to sign all documents related to the property.



HSP Operation

To become a **QUALIFIED NONPROFIT ORGANIZATION**, organizations may contact the Contract Assurance Unit of Loan Guaranty Service, which must approve a submitted package complete with documents/information for the applying organization. The application should be submitted to the following address:

Department of Veteran Affairs
ATTN: Contract Assurance Unit
3401 West End Avenue
Suite 760
Nashville, TN 37203

Applications can also be emailed to the Contract Assurance Unit at:
nashpm.vbaco@va.gov



HSP Operation

- ❖ The percentage of discount varies based on how long the property has been listed for sale

<u>Length of Time Listed</u>	<u>Discount from Current List Price</u>
At least 1, but less than 2 months	20%
At least 2, but less than 3 months	35%
3 months or more	50%

- ❖ Properties must be used for no less than three years to shelter Veterans who are homeless or at risk for homelessness.



Today and the future...

- VA created a HSP handbook to provide comprehensive procedures and guidance for all HSP participants providing shelter to homeless Veterans and their families.
- The handbook is a “living” document. VA may add or modify procedures as new issues arise or rules and regulations change. This action will need to be balanced, so as to not hinder NGOs’ participation in the HSP program.

http://www.benefits.va.gov/WARMS/docs/admin26/Handbook%202602/VA_Handbook_2602_7.28.2015.pdf



Final Thoughts

- Eliminating Veteran homelessness is a multi-layered problem.
- The issue is attacked from a pillared approach consisting of housing, healthcare, and employment vantage points.
- The HSP program supports the housing pillar.
- VA's NGO's provide the management and oversight of the house inhabited by homeless Veterans.



Final Thoughts

- Typically the non profits also provide Veteran counseling and referral services for healthcare and employment needs.
- The division of resources is basically stated in the circular.
- VA must balance the Departmental need for financial recovery realized from these properties with the needs of homeless Veterans for low- or no-cost properties.





Contact Information

❖ **For Questions to the Presenter:**

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