

# THE AMERICAN LEGION

DEPARTMENT OF FLORIDA

## PROPOSED RESOLUTION

The resolution below was adopted by Post # 187 in a special meeting dated May 12, 2026, but with Department action substituted for local revolving clause.

SIGNATURE POST COMMANDER OR ADJUTANT \_\_\_\_\_

*Rasheeda Denning*

### INSTRUCTIONS (Department By-Laws Article 1, section 5, b-c)

This form must be filled out in triplicate.

All resolutions shall be presented to the Dept. Adjutant at least forty (40) days prior to the Dept. Convention.

### RESOLUTION

WHEREAS, 38 C.F.R. § 36.4315(a)(8) establishes a two-part federal regulatory cap on interest rates for VA-guaranteed loan modifications, limiting the modified rate to the lower of (i) the most recent Freddie Mac Weekly Primary Mortgage Market Survey rate plus 50 basis points, or (ii) 100 basis points (1%) above the existing rate on the loan, constituting binding law protecting veteran homeowners from predatory modification terms; and

WHEREAS, Public reporting and congressional testimony indicate that more than 160,000 VA borrower families are currently impacted by the VA loan servicing crisis — including over 10,000 families who have already lost their homes since the May 2025 suspension of the Veterans Affairs Servicing Purchase (VASP) program, and more than 90,000 VA borrowers currently in delinquency or active foreclosure — with a documented pattern of servicer-offered loan modifications exceeding the regulatory cap established at 38 C.F.R. § 36.4315(a)(8), as exemplified by the case reported in NPR's April 2, 2026 national investigation; and

WHEREAS, Public Law 119-31, the Veterans Housing Stability Act, was signed into law on July 30, 2025, authorizing a VA partial claim program designed to provide an alternative loss-mitigation pathway for veteran borrowers in default — yet the Department of Veterans Affairs has failed to implement this law, leaving veteran families without a compliant loss-mitigation option; and

WHEREAS, VA OIG Investigation No. 2026-16691 is currently open and active, confirming that federal oversight authorities have identified systemic failures in VA loan servicing compliance requiring immediate corrective action; and

WHEREAS, The suspension of the Veterans Affairs Servicing Purchase (VASP) program has eliminated the primary foreclosure intervention tool available to veteran borrowers, and no compliant replacement program is currently operational, creating a documented gap during which veteran families face imminent and irreversible displacement; and

WHEREAS, A veteran spouse and military caregiver, whose case has been the subject of an NPR investigation (April 2, 2026) and national media coverage, was offered a VA loan modification rate 400 basis points above the regulatory cap — four times the legal maximum — by a VA-approved mortgage servicer, exemplifying the systemic harm being inflicted upon veteran families nationwide; and

DO NOT WRITE BELOW THIS LINE

Approved \_\_\_\_\_ Rejected \_\_\_\_\_  
For Department Action \_\_\_\_\_  
For National Action \_\_\_\_\_  
Consolidated with \_\_\_\_\_  
Referred to Standing Commission or Committee on \_\_\_\_\_  
Referred to Convention Committee on \_\_\_\_\_  
Other Action \_\_\_\_\_

Signature \_\_\_\_\_  
(Chairperson)

May 13, 2026

Date Received In Dept

VA Foreclosure Action

Subject

Referred to Committee on

Proposal No. 8

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### RESOLUTION

WHEREAS, 38 U.S.C. §§ 3732 and 3733 grant the Secretary of Veterans Affairs statutory authority to intervene in foreclosure proceedings and acquire defaulted VA-guaranteed loans to prevent displacement of veteran borrowers, authority which has not been exercised despite documented systemic violations; and

WHEREAS, At a hearing of the House Veterans Affairs Subcommittee on Economic Opportunity on March 26, 2026, the Subcommittee Chairman directly asked Department of Veterans Affairs officials to pause foreclosures and evictions on affected veteran families pending implementation of the Public Law 119-31 partial claim program, and stated on the record that he would follow up with VA for an answer — and as of the date of this Resolution, the Department has not publicly responded to the Chairman's request; and

WHEREAS, Borrowers holding Federal Housing Administration (FHA), U.S. Department of Agriculture Rural Housing Service (USDA RHS), Fannie Mae, and Freddie Mac mortgages currently have access to active federally-sponsored loss-mitigation programs — including FHA partial claim, FHA loan modification, and Fannie Mae/Freddie Mac Flex Modification and Payment Deferral — while VA-guaranteed borrowers have no operational partial claim program, no VASP equivalent, and are limited to the modification option at 38 C.F.R. § 36.4315(a)(8), which in a rising-rate environment leaves low-rate veterans with no viable home-retention pathway, making VA borrowers the least-protected class of federally-backed mortgage holders in the United States; and

WHEREAS, A VA-approved mortgage servicer whose modification conduct is documented in the NPR April 2, 2026 investigation has accumulated \$130.3 million in federal and state enforcement penalties across 18 enforcement actions and has been designated a “repeat offender” by the Consumer Financial Protection Bureau, a record that bears directly on the reliability of VA-approved servicer self-regulation and the urgency of federal oversight; and

WHEREAS, The American Legion, founded in 1919, has an enduring obligation to advocate for the economic security and housing stability of veterans and their families, and views the loss of a veteran's home — earned through sacrifice and funded through a federal benefit program — as an unacceptable outcome of regulatory failure and administrative inaction; now, therefore, be it

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### RESOLUTION

**RESOLVED, By The American Legion, Department of Florida in Department Convention assembled in Orlando, Florida on June 11–14, 2026, that The American Legion calls upon the Secretary of Veterans Affairs to immediately exercise authority under 38 U.S.C. §§ 3732 and 3733 to issue an administrative stay of foreclosure proceedings for all VA-guaranteed borrowers currently in delinquency or active foreclosure, pending restoration of a compliant loss-mitigation program; and, be it further**

**RESOLVED, That The American Legion calls upon the Director of the VA Loan Guaranty Service to issue emergency administrative guidance implementing the Public Law 119-31 partial claim framework without further delay, consistent with Congress's statutory mandate; and, be it further**

**RESOLVED, That The American Legion calls upon the House Veterans Affairs Subcommittee on Economic Opportunity and its Senate counterpart to immediately convene oversight hearings on the suspension of VASP, the failure to implement Public Law 119-31, and documented servicer violations of 38 C.F.R. § 36.4315(a)(8); and, be it further**

**RESOLVED, That The American Legion calls upon the VA Office of Inspector General to complete Investigation No. 2026-16691 expeditiously and to publish findings with specific remediation directives to the Secretary of Veterans Affairs; and, be it further**

**RESOLVED, That The American Legion calls upon the Secretary of Veterans Affairs and the United States Congress to restore loss-mitigation parity for VA-guaranteed borrowers by making the Public Law 119-31 partial claim program operational, reinstating VASP or an equivalent home-retention option, and ensuring that veterans — whose loans are the earned federal benefit of service — are not the least-protected class of federally-backed mortgage borrowers in the United States; and, be it finally**

**RESOLVED, That The American Legion, Department of Florida urges the National American Legion to adopt a companion resolution calling for implementation of Public Law 119-31 and a federal foreclosure moratorium on VA-guaranteed loans until all veterans have access to a compliant, functional loss-mitigation program.**

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THE AMERICAN LEGION • DEPARTMENT OF FLORIDA • ORANGE BAKER POST 187 •

## VA Foreclosure Crisis: A Resolution for Action

ORLANDO, FLORIDA • 2026 FOR LEGIONNAIRES, CONGRESSIONAL STAFF & PRESS RESOLUTION NO. 187-2026-01

**SITUATION** H.R. 1815 was signed into law July 30, 2025. The VA has not implemented it. Veteran families are losing their homes.

### EXECUTIVE SUMMARY

On July 30, 2025, Congress passed and the President signed **H.R. 1815, the Veterans Housing Stability Act** — a bipartisan law authorizing VA to deploy a partial claim program and halt veteran foreclosures. Ten months later, the Department of Veterans Affairs under Secretary Doug Collins has not implemented a single provision. More than **10,000 veteran families** have lost their homes since VA suspended its prior foreclosure prevention program in May 2025. More than **90,000 VA borrowers** remain in delinquency or active foreclosure with no viable path to keeping their homes. Orange Baker Post 187 calls that what it is: **dereliction of statutory duty**.

**10,000+**

VETERAN FAMILIES WHO HAVE  
LOST THEIR HOMES SINCE  
MAY 2025 VASP SUSPENSION

**90,000+**

VA BORROWERS CURRENTLY  
DELINQUENT OR IN ACTIVE  
FORECLOSURE

**10mo**

H.R. 1815 SIGNED INTO LAW.  
ZERO PROVISIONS  
IMPLEMENTED BY VA.

### I The Federal Violation

**38 C.F.R. § 36.4315(a)(8)** establishes a two-part cap on VA loan modification rates: the modified rate cannot exceed (i) the current Freddie Mac weekly survey rate plus 50 basis points, or (ii) 100 basis points above the borrower's existing rate — whichever is lower. This is binding federal law.

Veteran caregiver and military spouse **Leann Ledford** was offered a modification rate **400 basis points above the legal cap** — four times the maximum — by Freedom Mortgage Corporation, a VA-approved servicer that has accumulated \$130.3 million in federal and state enforcement penalties across 18 enforcement actions and been

designated a "**repeat offender**" by the CFPB.

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VA OIG

Investigation No. 2026-16691 open and active. Federal oversight has identified systemic failure in VA loan servicing compliance.

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NFR INVESTIGATION

April 2, 2026 national coverage of the Ledford case documented the pattern of over-cap modifications affecting veteran families.

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HOUSE APPROPRIATIONS

FY2027 Committee Report 119-161 passed unanimously April 21, 2026: formal finding that "this gap has exposed veterans to the risk of foreclosure."

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CONGRESSIONAL RECORD

Chairman Van Orden asked VA on March 26, 2026 to pause foreclosures pending H.R. 1815 implementation. VA has not responded publicly.

## II The Protection Gap

Every other category of federally-backed mortgage borrower has an active, operational loss-mitigation program available today. **FHA borrowers** have partial claim and loan modification. **USDA borrowers** have Rural Housing Service programs. **Fannie Mae and Freddie Mac borrowers** have Flex Modification and Payment Deferral.

**VA borrowers have nothing.** VASP was suspended. H.R. 1815 is unimplemented. The modification option at § 36.4315(a)(8) is unworkable for low-rate veterans in a high-rate environment. Veterans — whose loans are the earned federal benefit of military service — are the **least-protected class of federally-backed mortgage holders** in the United States.

## III What This Resolution Demands

01

**Secretary of Veterans Affairs:** Issue an immediate administrative stay of foreclosure proceedings for all VA-guaranteed borrowers in delinquency or active foreclosure under 38 U.S.C. §§ 3732-3733.

02

**VA Loan Guaranty Service:** Issue emergency guidance implementing the H.R. 1815 partial claim framework without further delay.

03

**HVAC & SVAC:** Convene immediate oversight hearings on VASP suspension, H.R. 1815 non-implementation, and servicer violations of 38 C.F.R. § 36.4315(a)(8).

04

**VA OIG:** Complete Investigation No. 2026-16691 expeditiously and publish findings with specific remediation directives.

05

**Congress:** Restore loss-mitigation parity. Veterans must not be the least-protected class of federally-backed mortgage borrowers in America.

06

**American Legion National & Department of Florida:** Adopt companion resolutions and deploy the Action Corps on H.R. 1815 implementation — the same mechanism used to thank Congress for passing the

bill.

## IV Accountability Targets

Secretary Doug Collins  
Dept. of Veterans Affairs

Has not implemented H.R. 1815. Has not responded to Chairman Van Orden's March 26 public request to pause foreclosures. Has not exercised statutory authority under 38 U.S.C. §§ 3732-3733.

Patrick Zondervan  
VA Loan Guaranty Service

Has not issued emergency guidance implementing the H.R. 1815 partial claim framework despite Congress's statutory mandate.

Chairman Derrick Van Orden  
HVA Economic Opportunity

Authored H.R. 1815. Asked VA on record to pause foreclosures March 26, 2026. Awaiting VA response — 6+ weeks. Oversight hearings not yet convened.

Freedom Mortgage Corp.  
VA-Approved Servicer

\$130.3M in federal/state enforcement penalties. CFPB repeat offender. Currently foreclosing on Leann Ledford while under active federal investigation.

## V Controlling Legal Authority

38 C.F.R. § 36.4315(a)(8)

Two-part federal rate cap on VA loan modifications. Lower of Freddie Mac PMMS + 50bps, or existing rate + 100bps.

H.R. 1815 / P.L. 119-31

Veterans Housing Stability Act. Signed July 30, 2025. Authorizes VA partial claim program. Not implemented.

38 U.S.C. §§ 3732-3733

Grants Secretary authority to intervene in foreclosure proceedings and acquire defaulted VA-guaranteed loans. Unused.

VA OIG No. 2026-16691

Active federal investigation into systemic failures in VA loan servicing compliance. Opened February 2026.

· AMERICAN LEGION · DEPARTMENT OF FLORIDA · ORANGE BAKER POST 187 DELAND, FL  
Certified copy transmitted to: Secretary of Veterans Affairs · VA Loan Guaranty Service · House & Senate Veterans Affairs Committees · Florida Congressional Delegation. This summary accompanies Post 187 Resolution No. 187-2026-01 adopted May 12, 2026.

TAKE ACTION

[vaforeclosureaction.org](http://vaforeclosureaction.org)