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BADGER BENEFITS BRIEF



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Mortgage Bill Introduced to Benefit Troops

Severely Disabled Active Duty Troops Will Benefit Under Craig's Mortgage Legislation



Washington, DC – Home ownership is part of the American dream, but that dream can become a nightmare for families who do not have some form of mortgage insurance. U.S. Senator Larry Craig took action today to address that reality by introducing legislation (S 1265) on Wednesday that would expand eligibility for the Department of Veterans Affairs Veterans' Mortgage Life Insurance (VMLI). His bill would include members of the Armed Forces who have received housing modification grant assistance from VA for severely disabling conditions. "Some military personnel who are severely injured can remain in active duty status for years. In recognition of what can be an extremely lengthy recovery and separation process, in 2004 we in Congress allowed housing grants to be made to active duty service

members. However, we did not extend the same access to VA's Veterans' Mortgage Life Insurance program for those still on active duty, an oversight that my legislation would remedy," said Craig, the ranking member of the Senate Committee on Veterans' Affairs. Veterans with certain severe disabilities, such as those who have lost legs, or eyesight, currently qualify for VA housing grants of up to \$50,000 through the Specially Adapted Housing (SAH) grant program. The grants help families with needed housing adaptations, such as the widening of doorways, the construction of wheelchair ramps, and the installment of handrails. The receipt of the grant is the gateway to VMLI eligibility. "Notwithstanding the housing grant assistance, servicemembers and veterans must still pay any underlying mortgage that exists on the modified home," Craig said. "To ensure that survivors are not saddled with mortgage debt they cannot afford following the death of a severely disabled veteran, VA's VMLI program is available. Under my legislation it will now be available to active duty servicemembers." Under VMLI, up to \$90,000 of coverage, or coverage in the amount of any outstanding mortgage debt, whichever is less, is available. Veterans pay premiums at standard mortality rates and VA contributes subsidy payments so that all program expenses are met. "Legal distinctions limiting benefits based on one's veteran' status vs. their 'active duty' status must be continually reevaluated. My legislation expands what I believe is an encouraging trend that looks at the career of a military man or woman as a continuum. It is a continuum that begins the day they enlist and it ends the day they die. Our government's benefits should reflect that reality," Craig said.

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