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# WHAT EVERY VETERAN SHOULD KNOW

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## **VA to Shut Down Mortgage Relief Program Amid Political Pushback**

The Department of Veterans Affairs plans to phase out a mortgage relief initiative aimed at helping veterans avoid foreclosure, after less than a year in operation and amid strong Republican opposition.

The Veterans Affairs Servicing Purchase (VASP) program, launched in May 2024, was created to buy back VA-backed home loans that had fallen into default.

The goal was to rework the loan terms and offer struggling veterans a path to stay in their homes. Nearly 17,000 veterans received modified loans with reduced interest rates as a result.

However, the program was set to stop accepting new applications starting May 1. VA officials announced the change in April, stating that the department "is not intended to function as a mortgage restructuring agency."

Conservative lawmakers have criticized the program since its inception, arguing it distorts the core mission of the VA loan system and unfairly benefits a limited group of veterans.

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“We had deep concerns about how VASP could impact the long-term health of the VA’s home loan program and the broader mortgage market,” said Rep. Mike Bost (R-Ill.), chair of the House Veterans’ Affairs Committee, and Rep. Derrick Van Orden (R-Wisc.), who leads the subcommittee on economic opportunity. “Ending this program is the right call.”

Instead, House Republicans have advocated for a partial claims model—an approach they say would help veterans in hardship without putting an excessive burden on taxpayers.

The VASP initiative was introduced in response to fallout from pandemic-era mortgage forbearance policies. When the COVID-19 relief period ended in late 2022, many veterans were hit with lump-sum payments they couldn’t afford, putting them at risk of losing their homes.

While VASP provided a potential safety net, critics pointed out that veterans who refinanced at higher rates after missing payments were often ineligible for assistance.

According to lawmakers, VA purchased over \$5.4 billion in home loans through the program over the past 10 months, averaging around \$320,000 per loan.

Democratic leaders have voiced strong opposition to the program’s closure.

“Eliminating this vital lifeline for veterans facing financial crisis is nothing short of cruel,” said Sen. Richard Blumenthal (D-Conn.), ranking member of the Senate Veterans’ Affairs Committee. “This was often their last hope to avoid homelessness and financial ruin.”

The VASP program offered a fixed 2.5% interest rate for the life of the loan. Officials clarified that current participants will not be affected by the decision to end enrollment, and the VA’s broader home loan guarantee services remain in place.

The VA home loan benefit continues to be a

cornerstone program for veterans, with nearly 145,000 active loans totaling more than \$56 billion in the first quarter of 2025.

The VA’s decision to wind down the VASP program has also raised alarms within the mortgage lending community, where industry leaders are calling for clearer direction on how to support affected borrowers moving forward.

In a letter sent Monday to VA Secretary Doug Collins, the Community Home Lenders of America—a nonprofit group representing small and mid-sized mortgage lenders—voiced concern over the lack of communication surrounding the program’s shutdown. According to the letter, lenders who work closely with veterans have been left in the dark, with “no detailed guidance, or in fact any information” to help them advise veteran borrowers about the changes ahead.

The abrupt nature of the announcement, the group warned, could leave thousands of veterans confused about their options, especially those currently navigating financial distress.

The VASP program, introduced in May 2024, aimed to prevent veteran foreclosures by allowing the VA to purchase delinquent loans and modify their terms. Roughly 17,000 veterans secured more manageable mortgages through the initiative. As political pressure mounted—particularly from Republican lawmakers who argued the effort offered disproportionate assistance—the department opted to close enrollment by May 1.

Industry leaders say without a transition plan or clear replacement program, veterans may be left vulnerable at a critical time.

VA officials defended their decision by stating that the department “is not set up or intended to be a mortgage loan restructuring service,” emphasizing that its core mission does not include long-term management of distressed home loans.



The statement came as part of the April 4 announcement that the Veterans Affairs Servicing Purchase (VASP) program would no longer accept new applications starting May 1.

The backlash has been swift—especially from Democratic lawmakers. In a recent letter to Secretary Doug Collins, a group of 22 members of Congress criticized the decision as premature, arguing that ending the program without a comprehensive alternative would ultimately hurt the very veterans it was designed to help. “Until better policy solutions are in place that provide for stronger underwriting,” the lawmakers wrote, “ending the VASP program abruptly will only harm veterans and their families.”

Their concerns were echoed by the Community Home Lenders of America in their April 7 letter. The group pressed VA leaders to provide greater clarity around how the program wind-down would be handled. “The VA must elaborate in writing what the VASP deadline actually means,” they wrote, pointing out the need for flexibility in processing existing applications. They urged the department to allow time for applicants to correct minor errors or submit missing documents—rather than simply rejecting incomplete files submitted before the cutoff.

The organization is also requesting a 60-day grace period to help eligible veterans who may not be able to complete their enrollment process by the May 1 deadline.

Meanwhile, Republican lawmakers continue to back the decision. In an April 9 interview with Military Times, House Veterans’ Affairs Committee Chairman Mike Bost (R-Ill.) reiterated his support for ending the program quickly. “The Veterans Home Loan Program has stood the test of time—it gives our veterans access to favorable lending terms and a path to homeownership,” he said. “VASP was putting that long-standing program at risk.

This was a smart course correction. No veteran is being thrown out of their home.”

Since its inception, VA has spent over \$5.4 billion purchasing more than 17,000 defaulted loans through the VASP program, with the average loan valued at around \$320,000. When the program launched, officials estimated that as many as 40,000 veterans might ultimately benefit but according to the Community Home Lenders of America, tens of thousands of potentially eligible veterans may still be unaware that help was even available—and now, time is running out.

### **VA to End Gender Dysphoria Treatments, Redirect Funds to Severely Injured Veterans**

In compliance with President Trump’s recent executive order titled Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government, the U.S. Department of Veterans Affairs announced it will begin phasing out medical treatments related to gender dysphoria.

The executive order establishes a federal policy recognizing only two biological sexes—male and female—as immutable. In response, the VA will adjust its health care offerings to align with the directive, which includes ending specific treatments for veterans diagnosed with or displaying signs of gender dysphoria.

VA Secretary Doug Collins confirmed that all financial resources previously allocated to these treatments will now be reallocated to support veterans with severe physical injuries, such as paralysis or limb loss, with the goal of enhancing their independence and quality of life.

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### **Policy Shift Details**

Effective immediately, the VA will no longer offer cross-sex hormone therapy or other gender-related medical interventions—such as surgical support or prosthetics—except under two conditions:

- The veteran is already receiving cross-sex hormone treatment through the VA, or
- The veteran was receiving such care through the military at the time of separation and is eligible for ongoing VA healthcare.

Those not meeting these criteria will no longer be eligible to initiate or receive gender dysphoria-related treatments through VA services. Other gender-affirming interventions—such as prosthetic devices, voice therapy, or letters supporting gender-affirming surgeries—will also no longer be provided.

“VA’s focus must remain on helping veterans recover and thrive, not facilitating attempts to change one’s biological sex,” said Secretary Collins. “This decision reflects the views of most veterans and the broader public. While all eligible veterans—including those who identify as transgender—will continue to receive full access to benefits and healthcare services under the law, specialized gender-transition treatments will no longer be included.”

### **Access to Other VA Services Remains**

VA officials emphasized that all veterans, regardless of gender identity, will continue to have access to the department’s full range of healthcare services, including preventive care, mental health treatment, and support through LGBTQ+ Veteran Care Coordinators (VCCs). These coordinators will continue their work

providing respectful, evidence-informed care for LGBTQ+ veterans, ensuring their needs are understood and appropriately addressed.

Though VA has never performed gender-confirming surgeries, the department has offered treatments related to gender dysphoria for over a decade. However, officials noted the absence of consistent data on how many veterans received such care, the total cost of the services, or staffing levels associated with these treatments. Current estimates suggest that less than 0.1% of the VA’s 9.1 million enrollees identify as transgender.

In recent years, VA facilities had expanded offerings related to gender transition, including hormone therapy, communication training, and a variety of prosthetic aids. These services were previously authorized under Veterans Health Administration Directive 1341(4), which has now been formally rescinded.

As part of the broader policy shift, VA medical centers have also implemented changes to designate shared facilities—such as bathrooms, locker rooms, and inpatient rooms—by biological sex or as single-occupancy unisex spaces, ensuring compliance with the new federal directive.

### **VA Begins Search for New Leaders of Health Care and Benefits Divisions**

The Department of Veterans Affairs has officially kicked off its search for two of the agency’s top leadership roles—undersecretary for health and undersecretary for benefits—signaling a new phase of staffing aligned with the priorities of President Trump’s second term.



Unlike other senior positions within the VA, these two posts must be filled through a commission-led selection process rather than direct presidential appointment. Each commission will consist of a mix of community advocates, former VA leaders, and subject matter experts who will vet and recommend candidates. VA Deputy Secretary Paul Lawrence will chair both commissions.

VA Secretary Doug Collins said the process is part of a broader push to ensure the department continues implementing key reforms designed to streamline operations and better serve veterans, families, and caregivers.

### Key Roles in Transition

The undersecretary for health oversees the VA's extensive healthcare system, which includes more than 1,300 medical facilities across the country. The role is also responsible for shaping clinical training, medical readiness strategies, and emergency response plans. Currently, Steven Lieberman is filling the role in an acting capacity.

Meanwhile, the undersecretary for benefits manages a wide range of services including disability compensation, education assistance, and the VA home loan program—impacting millions of veterans and their families. Michael Frueh is currently serving as the acting official in that position.

Both roles require Senate confirmation, meaning even after nominees are selected, the final appointment could take months. In the past, these positions have been difficult to fill. During Trump's first term, the administration struggled to secure a permanent undersecretary for health following the elevation of Dr. David Shulkin to VA Secretary. A series of temporary appointees filled the post throughout that term.

### Reflecting a Shifting Agenda

The announcement of the commissions comes as the VA continues to roll out high-profile

policy changes in alignment with the Trump administration's objectives. Among recent shifts touted by agency leaders:

- Halting medical treatments for gender dysphoria and reallocating those funds to support veterans with severe physical injuries
- Reversing telework policies to increase in-person operations across VA offices
- Eliminating diversity, equity, and inclusion programs in an effort to reduce departmental spending
- Pushing forward the delayed rollout of the VA's electronic health record system, now expected to resume in 2026
- Achieving record-setting volumes of processed disability claims early in the current fiscal year

At the same time, Secretary Collins is leading a significant reorganization of the VA workforce, with plans to eliminate approximately 80,000 positions—roughly 17% of the current staff. The goal is that there will not be any changes in level of service to its patients, clients, and their families, but only by deploying these changes will the results become known.

While department officials argue the cuts will make the agency leaner and more effective, critics have warned of serious consequences to healthcare access and benefits processing if the reductions move forward.

The commission process to find new leadership is expected to last several months, with further delays possible depending on Senate approval. The leadership turnover is part of a wider efficiency motivation, and the goal is to ensure that VA continues with updating key reforms designed to optimize its function and always better serve veterans, dependents, and caregivers.

President Trump also retains the option to reject any proposed candidates and ask the commissions to start the process over.



## **VA Hosts National Service Day, Honors VETServe 2025**

Recently, VA contributed to the nation's annual celebration to observe and celebrate National Volunteer Week, which occurred this year at the end of April. As part of this special week, VA took a lead in supporting a National Day of Service through "VetServe 2025," a campaign to strengthen veteran volunteers.

This special observance highlights the tremendously unique impact volunteers make in veterans' lives. Their time and dedication often makes a lasting difference in the lives of both the volunteers, as well as for those who have served our nation.

VetServe 2025 aimed to bring together volunteers, Veteran Service Organizations, community leaders and VA staff in a synchronized day of service across all 50 states. From maintaining veterans' memorials to organizing resource fairs and providing home repairs for disabled veterans, participants aimed to a tangible impact on veterans' lives.

A wide range of organizations joined VA in supporting a National Day of Service, and a uniting umbrella of those offerings was Vet-Serve. It was intended to be a celebration of service and a call-to-action aimed to encourage the nation's 19 million Veterans, their families, caregivers and survivors to serve in their community.

Several organizations were recognized as leaders in this field, including the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, AMVETS, and Vietnam Veterans of America. Additionally, organizations like Operation Homefront and Frankie's Friends also played significant roles in supporting veterans and families, particularly

through specific initiatives, like local outreach offerings, financial aid and pet care.

## **Spotlight on Life Event Shared Research: Caregivers, Transition Issues, Veterans' Families and Suicide**

On the RAND.org website, there is a free treasure trove of research findings which pertain to veterans' life situations. In collaboration with its partners at the Elizabeth Dole Foundation, think-tank non-profit organization RAND (Research AND Development) has cited research by experts which has brought renewed attention to America's hidden heroes—families and veterans' caregivers—through research reports, public events, commentary and congressional testimony.

The RAND Corporation, a research organization focused on improving policy and decision-making through research and analysis. The organization's charter was initially focused on research and development within the context of military planning. It now has a broader public policy purview.

Recently, RAND experts worked to help ensure that federal and non-profit veterans employment transition assistance programs are sustainable, while also identifying ways to improve the military-to-civilian transition process. It has released numerous studies to improve the lives of America's veterans and their families, including single-parent veteran households, and research on respiratory health and alternative drug treatment show improved veterans' well-being.

Local outreach effectiveness was also reported in research on state-level policies for veteran health and wellness. A recent study showed



how state-level assistance is particularly crucial for addressing Veteran suicide. RAND experts worked with the New York Health Foundation to conduct an in-depth investigation about the needs of recently discharged veterans in New York, and offered feedback for organizations that continue to work to improve the lives of veterans in the state.

Veterans can learn more, sign up to attend webinars and receive new research on these and other findings on a wide range of topics on the RAND website, where the organization hosts a free webinar series with range of research topics and discussions with experts. Recordings of recent webinars, which include discussions about transition and veteran families, are available on the RAND.org website (under Research and Policy Insights). Veterans can sign up for the Institute's newsletter to receive information about new research and upcoming events, by subscribing with an email address at the bottom of the home page at [veterans.rand.org](http://veterans.rand.org).

### **VA Mental Health Benefit Summary** *Understanding what is available*

The VA's mental health services play a crucial role in supporting the emotional and psychological well-being of America's veterans. From preventive care and outpatient therapy to emergency crisis intervention, the VA is committed to providing comprehensive and compassionate care. By continuing to expand access and reduce stigma, the VA helps veterans live healthier, more stable, and more fulfilling lives.

Mental health is a necessary aspect of overall wellness, especially for U.S. military veterans who may face unique psychological challenges due to their service. The U.S. Department of Veterans Affairs (VA) offers a comprehensive range of mental health services and benefits to help veterans manage conditions such as post-traumatic stress disorder (PTSD), depression, anxiety, substance use disorders, and suicidal thoughts. These services are available across the country and are accessible to eligible veterans at little to no cost.

#### *Who Is Eligible?*

Most veterans who served in active military, naval, or air service and were discharged under conditions other than dishonorable are eligible for VA health care, including mental health services. Even veterans who are not currently enrolled in VA health care may qualify for certain mental health services, particularly those at risk of homelessness or suicide, or those in crisis.

In January 2023, the VA also expanded free emergency mental health care to all veterans—regardless of VA enrollment—under the Veteran Crisis Line Emergency Care Expansion. This means any veteran in acute suicidal crisis can go to any VA or non-VA health care facility for free emergency treatment.

#### *Available Mental Health Services*

VA provides a broad range of mental health treatments tailored to individual needs, including Peer Support, and Virtual Counseling sessions through its VA Video Connect platform, making it easier for veterans in rural or remote areas to access mental health services.

Outpatient counseling is available through VA medical centers and community-based outpatient clinics (CBOCs) for conditions such as PTSD, depression, anxiety, and grief, especially for those in urgent need.





## VETERANS INFORMATION SERVICE

P.O. Box 111

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Inpatient and residential treatment is available for veterans requiring intensive mental health care, especially those with substance use disorders or severe PTSD.

Suicide prevention remains a top VA priority. The Veterans Crisis Line is available 24/7 by calling 988 and pressing 1, texting 838255, or chatting online. Trained responders—many are veterans themselves—offer immediate, confidential support. Additionally, the VA has embedded suicide prevention coordinators at every VA medical center to help veterans connect with mental health services and create safety plans.

Veterans can access mental health care at the nearest VA medical center or clinic, enrolling in VA health care at VA.gov, and with a VSO advocate. Same-day mental health services are available at many VA acute care facilities.

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P.O. Box 111— East Moline, IL 61244-0111

Phone (309) 757-7760

Fax (309) 278-5304

[www.vetsinfoservice.com](http://www.vetsinfoservice.com)

Email: [help@vetsinfoservice.com](mailto:help@vetsinfoservice.com)

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