Veterans Benefits Administration

An Overview

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VBA Office of Policy & Program Management
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VBA Programs

- Compensation & Pension
- Education
- Vocational Rehabilitation & Employment
- Loan Guaranty
- Insurance
- Benefits Assistance
Compensation & Pension
VETERANS

- **Disability compensation** - awarded for injuries/diseases incurred in or aggravated by military service or, in some cases, due to VA health care
  - Payment based on impact to average ability to seek and maintain gainful employment
  - **FY2009** - $35.1 Billion in compensation paid to 3.1 million Veterans

- **Disability pension** - awarded to wartime Veterans with permanent and total disabilities which are not the result of military service or Veterans at least 65 years of age (subject to income limitations)
  - Needs based
  - **FY2009** - $3.1 Billion in pension paid to 300,160 Veterans
Compensation & Pension

SURVIVORS

- **Dependency & Indemnity Compensation (DIC)**
  - Death in service
  - Death due to a service-connected condition; or
  - Had a service-connected disability rated at 100% for 10 years prior to death
  - **FY2009** - $4.9 Billion in DIC paid to 340,000 dependents

- **Death Pension**
  - Eligible survivors of wartime Veterans (income-based benefit)
  - **FY2009** - One Billion dollars in Death Pension paid to 195,000 dependents

- **Burial allowance** is a partial reimbursement of an eligible Veteran's burial and funeral costs
Education
VA’s Education Programs:

- Provide readjustment and restore educational opportunities lost because of service to the country
- Extend benefits of higher education to qualified persons who may not otherwise be able to afford it
- Aid military recruitment & retention of highly qualified personnel
- Encourage membership in the Selected Reserve
- Enhance the national workforce
FY 2010 - Anticipated Education expenditures

- $7.3 Billion  GI Bill(s)
- $1.6 Billion  All Other Education Programs
- $8.9 Billion  Total

Post 9/11 GI Bill provides individualized benefits to Veterans or their designated transfer to include:
- Tuition and Fees Charged
- Monthly Housing Allowance
- Stipend for Books and Services
Education

- **Montgomery GI Bill—Active Duty (MGI B, or Chapter 30)**
  - Initial active duty service between 6-30-85 and November 2, 2010
  - $1,200 military pay reduction

- **Montgomery GI Bill—Selected Reserve (MGI B-SR, or Chapter 1606)**
  - 6 year Selected Reserve Obligation
  - Finish initial active duty training
Reserve Educational Assistance Program (REAP, or Chapter 1607)

- Program established in 2005 by Department of Defense (DoD)

- Designed to provide education assistance to members of the Reserve components called or ordered to active duty in response to a war or national emergency

- Minimum of 90 days continuous active duty

- VA administers the program and pays benefit from funds contributed by DoD
Survivors’ & Dependents’ Educational Assistance (DEA, or Chapter 35)

- Dependents of Veterans or service members who:
  - Died While on Active Duty, or
  - Are Permanently & Totally Disabled, or
  - Died From Service-Connected Disability, or
  - MIA, POW, and Hostages
  - Was 100% disabled for ten, five, or one year(s)
  - Dependents of active-duty service members who VA determines have a service-connected permanent and total disability; and
    - Who is hospitalized or receiving outpatient medical care, services, or treatment; and
    - Is likely to be discharged or released from service for this service connected disability
Vocational Rehabilitation & Employment
Achieve and maintain suitable employment
- Evaluation of the Veteran's abilities, skills, interests, and needs
- Vocational counseling and planning
- On-the-job and non-paid work experience education or training such as certificate, two or four-year programs

Independent Living
- Training in activities of daily living
- Technological assistance
- Personal adjustment counseling
FY 2009

- 77,229 - Veterans Received Vocational Rehabilitation Benefits
  * An addition 20,996 receive VR&E services that do not result in a benefit payment (Total persons seen by VR&E = 97,225)

- $723 Million - Vocational Rehabilitation Benefits paid in FY 2009
Loan Guaranty
The Loan Guaranty (LGY) program provides:

- Home financing assistance to Veterans and servicemembers through the use of a partial guaranty of loans made by private lenders
- Supplemental loan servicing to Veterans who experience financial difficulties which cause them to default on their home loans
- Specially Adapted Housing grant made to severely disabled Veterans
- Direct loans to Native American Veterans, or Veterans who are married to Native Americans, living on Federal Trust land
Loan Guaranty

- Loans are made by private lenders such as banks, savings and loan associations, and mortgage companies, and guaranteed by VA
  - VA guaranty of loan eliminates need for down payment from Veterans

- **New Loan Amounts**
  - Vary depending on the location of the property
    - Effective January 1, 2010, limits generally range from floor of $417,000 (basic, standard areas) up to max of $1,094,625 (high cost areas)
Loan Guaranty

- **New Loan Amounts (cont.)**
  - Regular refinancing loans are now available for up to 100 percent of the appraised value of a home, which is an increase from VA’s previous threshold of 90 percent

- **Funding Fee**
  - 1st time use 2.15% for Veterans, 2.40% for Reservists
  - 2nd time use 3.3%
  - FY 2009 Special Adaptive Housing (SAH) & Special Housing Adaptation Grants (SHA)
    - SAH Grants - 1,042 severely disabled veterans granted $51.5 Million
    - SHA Grants - 520 additional disabled veterans granted $4 Million
## Recent Loan Guaranty Workload

<table>
<thead>
<tr>
<th>Year</th>
<th># Loans</th>
<th>$ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003</td>
<td>490,000</td>
<td>$63 Billion</td>
</tr>
<tr>
<td>FY 2004</td>
<td>336,000</td>
<td>$44 Billion</td>
</tr>
<tr>
<td>FY 2005</td>
<td>165,000</td>
<td>$24 Billion</td>
</tr>
<tr>
<td>FY 2006</td>
<td>143,000</td>
<td>$25 Billion</td>
</tr>
<tr>
<td>FY 2007</td>
<td>133,000</td>
<td>$25 Billion</td>
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<tr>
<td>FY 2008</td>
<td>180,000</td>
<td>$36 Billion</td>
</tr>
<tr>
<td>FY 2009</td>
<td>326,000</td>
<td>$68 Billion</td>
</tr>
<tr>
<td>Total</td>
<td>1,773,000</td>
<td>$285 Billion</td>
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</tbody>
</table>

Since 1944, VA has guaranteed over 18.7M loans for over $1 Trillion
Loan Guaranty

• VA loans are performing well relative to both the Prime and Subprime markets, as well as Federal Housing Administration (FHA) loans.
• VA’s seriously delinquent rate and foreclosure inventory rate are lower than even prime loans.
• However, serious delinquencies and foreclosures among all loan types have been trending up over the last six quarters.

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Delinquent</th>
<th>Seriously Delinquent*</th>
<th>Foreclosure Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA</td>
<td>7.41%</td>
<td>5.42%</td>
<td>2.46%</td>
</tr>
<tr>
<td>FHA</td>
<td>13.57%</td>
<td>9.42%</td>
<td>3.57%</td>
</tr>
<tr>
<td>Prime</td>
<td>6.73%</td>
<td>7.01%</td>
<td>3.31%</td>
</tr>
<tr>
<td>Subprime</td>
<td>25.26%</td>
<td>30.56%</td>
<td>15.58%</td>
</tr>
</tbody>
</table>

All data through Q4, CY2009
* % of loans 90 or more days delinquent or in the process of foreclosure

• Toll-free helpline for veterans experiencing difficulty making mortgage payments: (877) 827-3702
Insurance
Insurance

- All VA insurance programs are administered or supervised at the VA Regional Office and Insurance Center in Philadelphia.

- Prudential Life Insurance Co. administers some of the programs, under the supervision of the VA Insurance Service.

- Commercial insurance is often unavailable or prohibitively expensive to disabled Veterans.
Insurance

- **SGLI** - Servicemembers’ Group Life Insurance: Provides $400,000 of 24/7 coverage to active duty and reserve members of the uniformed services.

- **FSGLI** - Family SGLI: Provides $100,000 of coverage for the spouses of members who have SGLI, and $10,000 of free coverage for the member’s minor children.

- **TSGLI** - SGLI Traumatic Injury Protection: Provides between $25,000 to $100,000 to severely injured service members. Designed to provide short-term assistance due to the financial hardships created when families temporarily re-locate to be with the member during recovery and rehabilitation.
Insurance

- **VGLI** - Veterans’ Group Life Insurance: Available to individuals recently separated from active duty or the reserves who had SGLI while in service.

- **S-DVI** - Service-Disabled Veterans Insurance: Life Insurance for veterans with service-connected disabilities.

- **VMLI** - Veterans’ Mortgage Life Insurance: Up to $90,000 of mortgage life Insurance for severely-disabled veterans granted specially adapted housing grants.
Insurance

Customer Base

Total Insured: 7.1 Million

2.4 Million Service members

3.2 Million Spouses/Children

430,000 Recent Veterans

900,000 WWI, WWII, & Korean Era Veterans

177,000 Disabled Veterans
Insurance

FY 2009

- 143,000 - Death Claims Paid
- $2.2 Billion - Death Benefits Paid
- $325 Million - Dividends Paid
Insurance

Face Amount of Coverage: VA vs. Private Industry

Met Life
$4.0 Trillion

Aegon USA
$1.6 Trillion

ING Group
$1.5 Trillion

Swiss Reinsurance Group
$1.5 Trillion

RGA Group
1.5 Trillion

Prudential
$2.7 Trillion

Al G Life Group
$1.4 trillion

VA
$1.3 Trillion
(Includes TSGLI)

1,009 - Total Number of Life Insurance Companies in US

Veterans Benefits Administration
Benefits Assistance Service
Benefits Assistance Service (BAS)

- The Office of the Secretary granted approval to establish the BAS on October 2, 2009.

- The BAS will transform outreach and public contact activities through a client-centered approach

  - Ensure that VBA provides timely, accurate, and pertinent information and benefit assistance to Veterans, servicemembers, survivors, and dependents
  
  - Establish policy and procedures for client-centered outreach, direct services, social media, marketing, and web-content tools
  
  - Ensure that VBA uses all avenues to reach our clients and general public regarding benefits and services.
    
    • **Websites**
    • **Facebook**
    • **Twitter**
QUESTIONS