Executive Summary

The Let Freedom Ring Amendment addresses critical gaps in the VA Home Loan Program Reform Act of 2025 by introducing independent oversight, external audits, and transparent borrower access to loan records. The amendment responds to widespread patterns of misconduct by mortgage servicers and failures within the VA Loan Guaranty Service that have left veterans and their families unprotected.

This proposal establishes an independent VA Home Loan Oversight Board, mandates public accountability through GAO audits, and guarantees every veteran borrower the right to view and obtain their own loan records through a secure online portal. The amendment expands upon the constituent-services submission filed with Senator Van Hollen's office regarding the Freedom Mortgage VA Loan Guaranty case, which documented extensive administrative failures, data inaccuracies, and violations of federal protections.

PROPOSAL

Policy Memo

The Let Freedom Ring Amendment proposes statutory oversight and external accountability for the VA Loan Guaranty Service. It builds upon the constituent-services submission filed with Senator Chris Van Hollen's office, which detailed extensive failures by Freedom Mortgage and the VA Loan Guaranty Service to honor their obligations under federal law.

These failures reveal that internal self-regulation within the VA is ineffective. The VA must no longer serve as both regulator and participant in its own loan-guaranty operations. Independent oversight is required to ensure veterans and their families are not further harmed by administrative neglect or servicer misconduct.

PROPOSAL

Let Freedom Ring Amendment

to the VA Home Loan Program Reform Act of 2025 (Public Law 119-31)

Purpose

To strengthen accountability within the VA Loan Guaranty Service by ending self-regulation and establishing independent, external oversight and mandatory public audits of all VA-guaranteed home-loan servicing activity.

Background and Need

The VA Home Loan Program Reform Act of 2025 (Public Law 119-31, enacted July 30, 2025) required the Department of Veterans Affairs (VA) to improve loss-mitigation procedures but left enforcement entirely within the agency. Cases across the nation show that this self-regulation model has failed. Veterans and their families have suffered avoidable harm because the VA did not properly supervise its approved servicers, investigate misconduct, or resolve complaints. Congress must ensure that oversight of VA home-loan servicing is transparent, independent, and accountable to the public - not to the agency itself.

Section 1 - Independent VA Home Loan Oversight Board

Establish an independent VA Home Loan Oversight Board (VHLOB) to monitor and audit VA home-loan servicing operations. The Board shall consist of congressional appointees, GAO representation, and veterans-service organization members. Duties include conducting annual compliance audits of the VA Loan Guaranty Service and all approved servicers; investigating complaints; publishing public findings; and reporting directly to Congress.

Section 2 - External Audits and Transparency

The Government Accountability Office (GAO) shall perform biennial audits of the VA Loan Guaranty Service and its servicers and publish the results on a public website. Require quarterly public reports listing the number of borrower complaints received and resolved, enforcement and disciplinary actions taken against servicers or VA personnel, and corrective actions implemented to address non-compliance.

Section 3 - Independent Appeal and Review Process

Establish an Independent Home Loan Appeals Office within the VA Office of Inspector General. Permit borrowers to request a binding external review of servicer errors, assumption denials, or loss-mitigation failures. Require the Appeals Office to provide annual summaries of outcomes and systemic findings to Congress.

Section 4 - Whistle-Blower Protections

Extend federal whistle-blower protections (5 U.S.C. section 2302 and 41 U.S.C. section 4712) to VA employees, contractors, and servicer personnel who disclose misconduct or data manipulation within the VA Home Loan Program.

PROPOSAL

Section 5 - Findings and Congressional Intent

Congress finds that the Department of Veterans Affairs cannot effectively regulate itself in matters of loan-servicing oversight and that independent scrutiny is essential to preserve the integrity of the VA Home Loan Program. External audits and transparent reporting are necessary to restore the trust of veterans and their families and to ensure that federal programs created to protect them do not become instruments of harm.

Section 6 - Borrower Access to Loan Records

Borrowers under the VA Home Loan Program shall have the right to obtain, without delay or cost, copies of all records, communications, and servicing documents directly related to their loan, including payment histories, correspondence logs, servicing notes, and modification or forbearance documentation. The Department of Veterans Affairs and its servicers shall not require borrowers to file a Freedom of Information Act request to obtain their own loan documentation. All borrower document requests must be acknowledged within five business days and fulfilled within thirty calendar days. No fees shall be imposed for document production or delivery. The VA Home Loan Oversight Board shall monitor compliance and recommend corrective action for violations.

Section 7 - Borrower Transparency and Digital Access

The Department of Veterans Affairs shall develop and maintain a secure online portal through which every borrower with a VA-guaranteed or VA-held home loan may directly access all loan-related records in real time. The portal shall provide copies of the borrower's note, guaranty certificate, servicing history, forbearance, deferment, modification, and assumption records, and correspondence between the servicer and the VA concerning the loan. Borrowers shall not be required to file a FOIA request to obtain this information. Records uploaded or updated by a servicer or the VA must appear in the portal within five business days. The Oversight Board shall set cybersecurity standards and monitor compliance. The portal shall be operational within 18 months of enactment.

Statement of Purpose

The Let Freedom Ring Amendment reaffirms America's promise to its veterans: that their government will protect them, not exploit them. By mandating independent audits and external accountability, this amendment guarantees transparency, prevents abuse, and restores integrity to the VA Loan Guaranty Service for generations of veterans and their families.

PROPOSAL

References and Supporting Documentation

A. Legislative and Regulatory Sources

- Public Law 119-31 — VA Home Loan Program Reform Act of 2025
- 38 U.S.C. §§ 3701–3775 — Veterans Housing Benefits Program
- 15 U.S.C. § 1681 et seq. — Fair Credit Reporting Act (FCRA)
- 12 U.S.C. § 2605 — Real Estate Settlement Procedures Act (RESPA)
- VA Circular 26-20-12 (Apr 8, 2020) — Extended Relief Under the CARES Act for those Affected by COVID-19
- VA Circular 26-20-33 (Sep 14, 2020) — Deferment as a COVID-19 Loss Mitigation Option for CARES Act Forbearance Cases
- VA Circular 26-21-07 (Mar 26, 2021) — Loan Repayment Relief for Borrowers Affected by COVID-19
- VA Circular 26-21-13 (Jul 23, 2021) — COVID-19 Home Retention Waterfall and COVID-19 Refund Modification

B. Federal Guidance and Oversight Reports

- CFPB — Seven Examples of Unfair Practices and Other Violations by Mortgage Servicers: CFPB Supervision Activities Uncover Red Flags (Dec 9, 2021)
- CFPB — Mortgage Servicing COVID-19 Pandemic Response Metrics: Observations from Data Reported by Sixteen Servicers (Aug 2021)
- Federal Register — CFPB Supervisory Highlights, COVID-19 Prioritized Assessments Special Edition, Issue 23 (Winter 2021), 86 FR 7271
- GAO — Housing Programs: Increased Use of Alternatives to Foreclosure Could Reduce VA's Losses (RCED-90-4)
- GAO — VA Housing Loan Program (RCED-93-129R)
- GAO — VA's Home Loan Guaranty Program (T-RCED-87-24)
- GAO — VA's Home Loan Guaranty Program (T-RCED-88-26)
- GAO — Department of Veterans Affairs: Loan Guaranty: Revisions to VA-Guaranteed or Insured Cash-Out Home Refinance Loans (B-330627)
- VA OIG — Semiannual Reports to Congress (2023-2025)

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C. Academic and Policy References

• NCLC — Free Access to New Chapter on Homeowner Rights During COVID Pandemic (Feb 8, 2021)

• NCLC — Free Access to Just-Updated Chapter on COVID-Related Homeowner Protections (Dec 7, 2021)

• NCLC — Joint Letter Regarding Veterans Affairs Servicing Purchase (Jan 17, 2025)

• Maryland Office of the Attorney General — Annual Report (2023–2025), including the Consumer Protection Division

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