



MILITARY ORDER OF THE PURPLE HEART

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STATEMENT FOR THE RECORD
SUBMITTED BY
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NATIONAL LEGISLATIVE DIRECTOR
MILITARY ORDER OF THE PURPLE HEART
TO
THE UNITED STATES SENATE COMMITTEE ON VETERANS' AFFAIRS
WITH RESPECT TO
Pending Legislation

WASHINGTON, D.C.

AUGUST 1, 2018

Chairman Isakson, Ranking Member Tester, and Members of the Committee, on behalf of the Military Order of the Purple Heart (MOPH), whose membership is comprised entirely of combat wounded veterans, I thank you for inviting us to submit our views on pending legislation. For the purposes of this statement, we will focus our comments on H.R. 299, the Blue Water Navy Vietnam Veterans Act of 2018, specifically section 6(c), which extends the Department of Veterans Affairs (VA) Home Loan funding fee waiver to Purple Heart recipients serving on active duty in the Armed Forces.

As its name implies, the Blue Water Navy Vietnam Veterans Act deals in large part with extending presumptive service connection for conditions related to Agent Orange exposure to veterans who served offshore of the Republic of Vietnam from January 9, 1962 to May 7, 1975. It would also grant the same presumptive service connection for veterans who served on the Korean Demilitarized Zone from September 1, 1967 to August 31, 1971, extend benefits to the children born with spina bifida to certain veterans who served in Thailand, and require VA to submit an updated report on its Gulf War Illness study. MOPH supports all of these provisions.

This legislation also makes a number of technical changes to the VA Home Loan Program. Among those is section 6(c), which would extend the VA home loan funding fee waiver to active duty Purple Heart recipients. Since VA home loans require no down payment or mortgage insurance, the funding fee is used to cover any losses VA may incur in guaranteeing the loans. The fees for first time users of the program are between 2.15 and 2.4 percent of the loan amount, and may be paid upfront or financed as part of the loan. While the VA Home Loan Program is a valuable benefit, the funding fee generally adds thousands of dollars to the final amount of the loan. However, disabled veterans and surviving spouses of veterans who died of service connected disabilities are eligible to have the funding fee waived as a benefit of their service.

Combat wounded veterans still serving on active duty, however, are required to pay the funding fee in all cases. MOPH strongly believes that these veterans, the vast majority of whom will almost certainly be eligible for some level of service connected disability rating upon separation, should be entitled to the funding fee waiver on the same basis as disabled veterans who have already been discharged. Many active duty Purple Heart recipients were severely wounded in Iraq and Afghanistan, and spent many months recovering in military hospitals before they were able to return to duty. Others may spend months or years in military hospitals before ultimately receiving medical discharges, but may wish to purchase homes during that period of recovery. MOPH sees absolutely no reason why they should be penalized by the VA Home Loan Program in any way, simply because they continue to serve on active duty in some capacity.

This issue was first brought to our attention by a MOPH member, Major Byron Owen, United States Marine Corps. A multiple Purple Heart recipient, Major Owen was wounded twice in Iraq in 2006, and again in Afghanistan in 2008. After recently deciding to use his VA Home Loan benefit, and being aware that veterans with service connected disabilities are exempt from the funding fee, he was frustrated to discover that he was not eligible for the waiver as an active duty service member. In his own words:

“I think they (VA) unfairly punish active duty personnel who choose to remain in uniform instead of accept medical separation or retirement. I was medevac’d out of Iraq in 2006 and had to undergo months of therapy to return to service. Why should I have to pay 20 grand to get a VA loan when someone with a non-combat related disability gets to waive it? Some of my friends are amputees in uniform. They’re paying the funding fee. Does that seem right? I think someone should advocate on the behalf of active duty Purple Heart recipients who would almost certainly receive service connected disability payments if we were out.”

MOPH strongly agrees with Major Owen, and stands with him and the approximately 8,000 other Purple Heart recipients currently serving on active duty in the U.S. military. Veterans who have been wounded in combat with the enemies of our Nation have made incredible sacrifices, and under no circumstances should they be excluded from a benefit as significant as the VA Home Loan funding fee waiver, simply because of their duty status. We strongly urge the Committee to correct this injustice by passing H.R. 299 without delay.

Chairmen Isakson, Ranking Member Tester, this concludes my statement. On behalf of the Order, I thank you for the opportunity to submit our statement, and would be happy to answer any questions for the record that you or other Members of the Committee may have.

Disclosure of Federal Grants and Contracts:

The Military Order of the Purple Heart (MILITARY ORDER OF THE PURPLE HEART) does not currently receive, nor has MILITARY ORDER OF THE PURPLE HEART ever received any federal money for grants or contracts other than the routine allocation of office space and associated resources at government facilities for outreach and direct veteran assistance services through its Department of Veterans' Affairs accredited National Service Officer Program.