

**STATEMENT OF
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U.S. DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SUBCOMMITTEE ON HOUSING, TRANSPORTATION AND COMMUNITY
DEVELOPMENT
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
U.S. SENATE**

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Good Morning, Mr. Chairman and Mr. Ranking Member. Thank you for the opportunity to appear before the Subcommittee. You have called us here today to discuss an issue of great importance: Veteran homelessness, and what the Department of Veterans Affairs (VA) is doing to end homelessness among Veterans. Tragically, Veterans are overrepresented among the homeless, and we must do more to end this scourge. We now estimate that 131,000 Veterans live on the streets of the wealthiest and most powerful Nation in the world; far too many, but a significant decline from 195,000 homeless Veterans 6 years ago. Some of those homeless are here in Washington, D.C.—men and women, young and old, fully functioning and disabled, even the current operations in Iraq and Afghanistan.

VA's goal is to have a "no wrong door" approach so that Veterans who seek assistance directly from VA's programs, from community partners or through contract services will be able to access the needed services. VA has the nation's largest integrated network of homeless assistance programs. We have a strong track record in helping homeless Veterans; a study completed several years ago found approximately 80 percent of Veterans who complete a VA program are successfully housed one year after treatment. In fiscal year (FY) 2010, VA expects to spend a total of \$3.2 billion to provide health care and specialized homeless programs, which includes \$500 million in targeted programs for homeless programs this fiscal year. VA social workers and clinicians work with community and faith-based partners to conduct extensive outreach programs,

clinical assessments, medical treatments, alcohol and drug abuse counseling and employment assistance.

VA's 5 Year Plan on Ending Veteran Homelessness

We have a goal of ending homelessness among our nation's Veterans within 5 years, which Secretary Shinseki announced last week. We formally announced that goal last week at a national summit on ending homelessness among Veterans. The Secretary's plan for achieving that goal includes bold new measures that will focus on both serving those who are seriously impaired and attacking this problem with preventive measures like discharge planning for incarcerated Veterans re-entering society, supportive services for low-income Veterans and their families, and a national referral center to link Veterans to local service providers. Additionally, we will expand efforts for education, jobs, health care (including mental health care) and housing.

One of VA's most successful tools has been our partnership with the Department of Housing and Urban Development (HUD) is where public housing authorities receive housing choice vouchers and VA provides dedicated case management to appropriate homeless Veterans who need and are willing to accept services. We will expand our collaboration on the HUD-VA Supportive Housing (HUD-VASH) program to provide 20,000 Housing Choice vouchers to Veterans and their families, and we will partner with HUD to develop new pilot programs to test a program for at-risk Operation Iraqi Freedom and Enduring Freedom (OIF/OEF) Veterans and families with homeless prevention services. In Fiscal Year 2009, there was a \$10 million HUD appropriation and \$5 million VA appropriation for a demonstration program on the prevention of homelessness among the Nation's veterans. Our collaboration with HUD has also grown in scale and produced measurable results. In 2008, HUD provided 10,150 HUD-VASH vouchers for homeless Veterans. Thanks to the continuing support of Congress and the personal leadership of House and Urban Development Secretary Shaun Donovan, HUD-VASH II, approved in 2009 for 2010 implementation, provides 10,290 more vouchers. HUD-VASH vouchers enable housing for single Veterans or Veterans with families. Of the 13,000 Veterans accepted for HUD-VASH housing, 11 percent are

women, and another 12 percent are Veterans with family members. Safe housing is a critical step to ending homelessness among Veterans, especially among women Veterans and Veterans with children. This effort is having very positive results, and we thank Congress for authorizing this very effective and beneficial tool.

We are also making enhanced efforts to provide opportunities to return Veterans to employment, including the new Post-9/11 GI Bill. The new GI Bill is providing a powerful option for qualified Veterans to pursue a fully funded degree program at a state college or university and will serve as a major component of the fight against Veteran homelessness.

This program will require close partnership with federal and state agencies, local, non-profit and private groups; outreach and education to Veterans, people and organizations providing services to Veterans, and the general public; universal and targeted prevention; treatment focused on recovery and tailored to individual Veterans' needs; housing and supportive services; and income, employment and benefits assistance. For example, we will continue our collaborative efforts with the Department of Labor to provide employment services. VA is working with the Small Business Administration and the General Services Administration to certify Veteran-owned small businesses and service-disabled Veteran-owned small businesses for listing on the Federal Supply Schedules, which enhances their visibility and competitiveness, creating jobs for Veterans. VA will also work closely with the Departments of Education, Labor, Health and Human Services, and Housing and Urban Development, the Small Business Administration, the U.S. Interagency Council on Homelessness, state directors of Veterans Affairs, and Veterans Service Organizations, as well as national, state, and local service providers and community groups.

We think we are making appropriate efforts to have the right partners, the right plans, and the right programs in place on safe housing. We will monitor and adjust the balance as required to continue increasing our gains in eliminating Veteran

homelessness. We are moving in the right direction to remove this blot on our consciences, but we have more work to do.

At the summit on ending Veteran homelessness last week, we shared ideas on new efforts. During this conference, approximately 1,200 homeless service providers from federal and state agencies, the business community, and faith-based and community providers participated and discussed the Department's 5 year plan.

Effectively addressing homelessness requires breaking the downward spiral that leads Veterans into homelessness. We must continue to improve treatment for substance abuse, depression, traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD); better educational and vocational options, better employment opportunities; and more opportunities for safe and hospitable housing. Early intervention and prevention of homelessness among Veterans is critical. We have to do it all; we simply cannot afford any missed opportunities. We will leave no opportunity unexplored, and we will continue this pursuit until every Veteran has safe housing available and access to needed treatment services. We are eager to work together with Congress to achieve these goals.

Continuing Efforts

VA partners with more than 600 community organizations to provide transitional housing to 20,000 Veterans. It also works with 240 public housing authorities to provide permanent housing to homeless Veterans and their families under a partnership with the Department of Housing and Urban Development.

Earlier this year, we established the National Center on Homelessness Among Veterans. The Center will work to ensure homeless or at-risk Veterans and their families receive timely, practice-proven services to either prevent homelessness or exit homelessness. The primary goal of the Center is to develop, promote, and enhance policy, clinical care research, and education to improve homeless services so that Veterans may live as independently and self-sufficiently as possible in a community of

their choosing. We believe the Center will be a national resource for both VA and community partners, improving the quality and timeliness of services delivered to homeless or at-risk Veterans and their dependents.

In October, Secretary Shinseki announced that 29 grants were awarded to create new transitional housing under our Homeless Grant and Per Diem (GPD) program in 19 states, the District of Columbia and Puerto Rico. This initiative will share more than \$17 million in grants to community groups to create 1,155 beds for homeless Veterans this year. For example, this program will support:

- four programs in New York and more than 160 beds;
- one program in Oregon with 10 beds;
- one program in South Carolina providing almost 100 beds;
- one project in Tennessee with 14 beds; and
- two projects in Texas that will offer more than 200 beds, as well as two vans,.

These grants will aid our efforts to eliminate homelessness among those who have served in uniform. Our partnerships with community-based organizations provide safe, transitional housing while these Veterans leverage VA's health care and other benefits to return to productive lives.

This year, VA implemented new safety standards in the facilities providing Mental Health Residential Rehabilitation and Treatment Programs, including 24/7 staffing and keyless entry. Our GPD program activated 55 new projects for a total of 1,090 beds since October 2008. New homeless prevention initiatives assist Veterans at risk for homelessness to maintain their residences in the community by addressing factors which lead to becoming homeless.

Mental Health Care

The psychological consequences of combat affect every generation of Veterans. VA now employs 18,000 mental health professionals to address their mental health needs. We know if we diagnose and treat, people can improve. If we don't, they won't—and

sometimes their problems become debilitating. We understand some see a stigma attached to seeking mental health care, but we are not going to be dissuaded. We have integrated mental health care into primary care settings to help identify Veterans at risk and provide them treatment before their conditions worsen. We will not give up on any of our Veterans with mental health challenges, and particularly not the homeless. At the end of October, VA and the Department of Defense (DoD) co-sponsored a national summit on mental health care to help both agencies better coordinate mental health care for those who serve our country and those who formerly wore the uniform.

Newest Generation of Veterans

We know from past experience that homelessness among Veterans peaks 7-10 years after military service, and we are conducting aggressive early intervention now to ensure Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) Veterans do not have that same experience. Our current efforts have reached nearly 3,800 OEF/OIF Veterans, more than 1,100 of whom have sought homeless specific housing or treatment services. Since 2003, VA has expedited 28,000 claims for compensation and pension for Veterans who are homeless or at-risk of homelessness.

Incarcerated Veterans

Every year, 40,000 Veterans are released from prison. This is part and parcel of the larger discussion about homelessness. We recognize the needs of Veterans who have been incarcerated, and in 2009, VA implemented a new initiative to support State and local Veterans Court Programs. This program provides VA health care instead of incarceration for eligible Veterans with substance use disorders, PTSD or mental health conditions. Our Incarcerated Veterans Re-Entry program has contacted and supported more than 13,000 Veterans since 2007 and has contacts in more than 1,000 federal and state prisons across the country (two-thirds of all prisons). Veterans Justice Outreach Specialists are working with courts to develop relationships and referral procedures. We are reaching out to courts, prosecutors, defense attorneys, and police and other first responders. We began training these specialists in September. This complements existing VA program that provide outreach to incarcerated Veterans. We have received

enthusiastic responses from State Supreme Court Justices, Judges, Veterans Service Organizations and State Directors of Veterans Affairs. VA is working to overcome homelessness with programs that impact high risk individuals such as Veterans involved in the Criminal Justice System. VA will provide additional training in FY 2010, and will continue outreach to State Attorneys General, American Bar Association and national bar associations.

Helping Veteran Homeowners

Another key element of our strategy to end homelessness among Veterans is to prevent them from becoming homeless in the first place. Section 604 of Public Law 110-387, codified at 38 U.S.C. 2044, provides VA with authority to offer grants to organizations offering supportive services for low-income Veterans and their families. VA is currently developing regulations to implement this legislation. The Administration has pursued a number of initiatives to keep such homeowners, including Veterans, in their residences. In addition, the Veterans Benefits Administration offers assistance to Veterans who encounter problems making their mortgage payments. When a VA-guaranteed home loan becomes delinquent, the loan servicer has the primary responsibility of servicing the loan to help cure the default. VA provides financial incentives for servicers who arrange reasonable repayment plans or pursue other home retention options for Veterans.

In some cases loan modification may help make payments more affordable, and VA made extensive rule changes in early 2008 to make loan modifications easier for servicers to arrange. However, in cases where the servicer is unable to help the Veteran borrower retain the home or find a suitable alternative to foreclosure, VA's Loan Guaranty Service has Loan Technicians in nine Regional Loan Centers and the Hawaii Regional Office who review all cases prior to foreclosure to evaluate the adequacy of the loan servicing. Loan Technicians may initiate supplemental servicing by contacting the Veteran to determine whether any further assistance is possible, and Veterans may also call a nationwide toll-free contact number at any time during the process to receive loan counseling from VA.

In other cases, VA will purchase a loan from the holder and modify the terms so that a Veteran can retain his or her home. The Regional Loan Centers can also provide advice and guidance to Veterans with non-VA guaranteed home loans, but VA does not have the legal authority or standing to intervene on the borrower's behalf in these situations. Under the Veterans' Benefits Improvement Act of 2008 (Public Law 110-389), Veterans with non-VA guaranteed home loans have new options for refinancing to a VA guaranteed loan. Veterans who wish to refinance their subprime or conventional mortgage may do so for up to 100 percent of the value of the property, generally up to a maximum of \$417,000. High-cost counties have even higher maximum guaranty amounts, which can result in higher maximum loan limits. These changes allow more qualified Veterans to refinance through VA, allowing for savings on interest costs and avoiding foreclosure. Additionally, some Veteran borrowers may be able to request relief pursuant to the Servicemembers Civil Relief Act (SCRA). In order to qualify for certain protections available under the Act, the Veteran's obligation must have originated prior to the current period of active military service. SCRA may provide a lower interest rate or forbearance, or prevent foreclosure or eviction, even after the borrower's period of military service ends.

Conclusion

Housing, health care, jobs, and education—these are the critical areas where VA is focusing to address Veteran homelessness. We have work to do here; but we have momentum, and we know where we are headed. We are positively engaged with the Departments of Housing and Urban Development, Labor, Health and Human Services, Education, and the Small Business Administration to work our collaborative issues.

I know that Congress, Secretary Shinseki and President Obama are committed to helping VA end homelessness among Veterans. No one, who has served this Nation, as our Veterans have, should ever find themselves living without care—and without hope. I know that there are never any absolutes in life, but unless we set an ambitious

target, we would not be giving this our very best efforts in education, jobs, mental health, substance abuse, and housing.

Thank you again for the opportunity to testify. I am available to answer any questions you may have.