

RECORD OF DECISION

FINAL PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT FOR VETERANS AFFAIRS HOUSING LOAN PROGRAM

INTRODUCTION

The United States Department of Veterans Affairs (VA or Department) developed a Programmatic Environmental Impact Statement (PEIS), pursuant to the National Environmental Policy Act (NEPA) (42 United States Code 4321 et seq.), the Council on Environmental Quality's regulations implementing NEPA (40 Code of Federal Regulations [CFR] 1500-1508) and VA's corresponding NEPA implementing regulations (38 CFR Part 26), that identifies, analyzes, and documents the potential environmental, cultural, and socioeconomic impacts associated with operation and management of VA's Housing Loan Program (HLP). This Record of Decision (ROD) announces VA's decision to implement the Proposed Action in the PEIS – to continue to operate and actively manage VA's HLP.

The comprehensive HLP, which is managed by VA Veterans Benefits Administration, administers VA-guaranteed loan benefits and other housing-related benefits that assist eligible Veterans, certain surviving spouses, active-duty personnel, Selected Reservists, and National Guardsmen (collectively referred to as Veterans) in purchasing, constructing, repairing, adapting, or improving a home. The PEIS evaluates potential direct, indirect, and cumulative environmental consequences of the Proposed Action of continued administration and operation of VA's HLP and the No Action Alternative. The Final PEIS, published on July 15, 2022, and available at https://benefits.va.gov/homeloans/environmental_impact.asp, identifies the Proposed Action as the Preferred Alternative, which is also the Environmentally Preferred Alternative, and addresses public comments received on the Draft EIS. The PEIS is incorporated by reference in its entirety into this ROD.

PURPOSE OF AND NEED FOR ACTION

The purpose of the Proposed Action is to allow VA to continue to carry out the HLP mission, i.e., helping Veterans obtain, retain, and adapt their homes. For over 75 years, the HLP has served an important role in the lives of Veterans. Although the HLP enabling statutes predate NEPA and most other federal environmental authorities, new and ongoing VA actions are subject to NEPA. Many Veterans could not afford to purchase a home if not for the no-down-payment, no-mortgage¹-insurance feature of the guaranteed loan benefit program. Some Veterans would not be able to live independently without the disability housing modifications funded by Specially Adapted Housing (SAH) program grants. In addition, some Veterans might not be able to retain their homes during times of financial hardship without the loan servicing and loss mitigation assistance VA and private-sector loan servicers provide.

¹ Generally, the term "mortgage" as used throughout the PEIS refers to housing loans, that is, mortgages and deeds of trust.

The Proposed Action is needed for VA to meet congressional mandates and other regulatory requirements and to fulfill its obligations to Veterans. VA needs to actively manage the program and at times initiate changes to the program's operations. In addition to internal policy changes, Congress and the Executive Branch periodically implement legislation and directives regarding components of the HLP to reflect the changing needs of the Nation's Veterans and conditions in housing/finance markets.

PROPOSED ACTION AND ALTERNATIVES

NEPA and its implementing regulations require federal agencies to evaluate reasonable alternatives to their Proposed Action(s) including a No Action Alternative. Throughout the HLP's history, VA periodically tailored the HLP to address new statutes and Executive Branch directives. VA has also implemented regulations and established policies that serve the needs of the Veteran population. The HLP is continuously evolving to meet the home ownership and housing needs of the Nation's Veterans and will continue to do so in the future. Although VA has some discretion in developing regulations and policy, Congress has explicitly mandated that the Department provide the various HLP benefits. Consequently, VA has a limited number of alternative courses of action that are analyzed under the PEIS.

PROPOSED ACTION

Under the Proposed Action, VA would continue to operate and actively manage the HLP, which is the Preferred Alternative. The number of VA-guaranteed loans would continue to fluctuate from year to year based upon housing market conditions; VA's Real Estate Owned (REO) program would continue to maintain, manage, market, and sell acquired homes through a private-sector contractor; the Native American Direct Loan (NADL) program would continue to make VA direct loans available to Native American Veterans living on trust,² tribal, or communally owned lands; and VA would continue to provide Specially Adapted Housing (SAH) program grants to accommodate the needs of Veterans with certain severe, service-connected disabilities. VA would continue to adhere to statutory requirements, Executive Branch mandates, and Judicial rulings and evaluate the housing needs of Veterans, monitor market conditions (and other unforeseen factors), and perpetually tailor the HLP to ensure VA continues to effectively serve Veterans. To do so, VA may issue new regulations or policies or revise existing ones. Changes to the program could influence the volume of VA-guaranteed loans, REO and NADL activity, and SAH program grants by, for example, making these guaranties, loans, and grants more accessible or attractive to Veterans.

² Trust lands are any land that (i) is held in trust by the United States for Native Americans, (ii) is subject to restrictions on alienation imposed by the United States on Indian lands (including native Hawaiian homelands), (iii) is owned by a Regional Corporation or a Village Corporation as such terms are defined in section 3(g) and 3(j) of the Alaska Native Claims Settlement Act, or (iv) is on any island in the Pacific Ocean if such land is, by cultural tradition, communally owned land, as determined by the Secretary of Veterans Affairs, an Officer of the United States (38 U.S.C. 3765[1]).

NO ACTION ALTERNATIVE

The No Action Alternative presumes VA would continue to operate the HLP in a manner consistent with its current practices and procedures, with no future changes or improvements to the program. The No Action Alternative, also called the “reference scenario,” was presented as a snapshot in time to provide a baseline for comparison. The No Action Alternative would essentially freeze the HLP components and policies in their current state, reflecting the program status in FY 2017 (October 1, 2016, through September 30, 2017) and assumes Veteran populations and market conditions would continue to follow general historical trends.

ENVIRONMENTALLY PREFERABLE ALTERNATIVE

The Environmentally Preferable Alternative is the alternative that best promotes the national environmental policy expressed within NEPA. In general, this refers to the alternative that will result in the least damage to the biological and physical environment and best protects the natural and cultural resources. Based on the analysis in the Final PEIS, VA determined the Proposed Action to be the Environmentally Preferable Alternative.

EVALUATION OF ENVIRONMENTAL CONSEQUENCES

Resources analyzed in the PEIS include aesthetic resources; air quality; biological resources; cultural resources; floodplains, wetlands, and coastal zones; geology and soils; hydrology and water quality infrastructure and community services; land use and planning; noise; and socioeconomics and environmental justice. Since physical environmental impacts result primarily from construction activities and related land disturbance, the impact analyses presented within the PEIS focus primarily on the VA-guaranteed loans for newly constructed homes, except for the socioeconomic impacts that result from the financial transactions. VA also analyzed the potential environmental effects of the REO, NADL, and SAH programs. However, their impacts are likely to be much lower, primarily due to the nature of these programs and the very small volume of loans and grants approved under these programs.

The scope of potential cumulative actions focuses on actions most similar to the HLP in terms of functional scope and wide geographic presence. These include other national housing loan programs as well as new home construction projects funded through conventional and private-market lenders.

Adverse impacts from the Proposed Action are anticipated to range from negligible to minor for VA-guaranteed loans for newly constructed homes in each resource area (except socioeconomics and environmental justice). Likewise, the No Action Alternative, is also anticipated to have negligible to minor impacts for VA-guaranteed loans for newly constructed homes in each resource area. Negligible impacts are anticipated from existing/refinance home loan guaranties, REO activities, NADLs, and SAH program grants for both the Proposed Action and No Action Alternatives. Beneficial impacts are expected for socioeconomics and environmental justice under both alternatives for all programs of the HLP. Cumulatively, the Proposed Action could have a potential minor contribution to cumulative effects in the following resource areas: geology and soils, hydrology and water quality, infrastructure and community services, and land use and planning. In addition, potential minor beneficial impacts would be

expected on socioeconomics (including workforce, taxes, and economy) and environmental justice populations, which include many Veterans. Chapters 4 and 5 of the Final PEIS provide detailed analyses.

AVOIDANCE, MINIMIZATION, OR MITIGATION MEASURES

No avoidance, minimization, or mitigation measures, nor any monitoring of such measures, were identified or are needed for the Proposed Action or the No Action Alternative.

PUBLIC INVOLVEMENT

Scoping, as required under NEPA, invites interested parties to identify potential issues, concerns, and reasonable alternatives that should be considered in the PEIS. To formally initiate the NEPA process for the HLP PEIS, VA published a Notice of Intent to prepare a PEIS on July 16, 2018, and invited scoping input at that time. VA conducted a public scoping meeting on August 2, 2018; consulted with various governmental agencies and stakeholders; and developed a project website to disseminate information to the public. The project website is available at https://www.benefits.va.gov/homeloans/environmental_impact.asp. VA received no scoping comments during or after the scoping period.

On July 16, 2021, VA invited interested parties to review the Draft PEIS and submit any comments on its contents and findings. The 45-day public comment period concluded August 30, 2021.

Due to the COVID-19 pandemic, a virtual public presentation and comment opportunity was held in lieu of an in-person public meeting on August 4, 2021. There were four attendees at the presentation, and no verbal or written comments were submitted. During the 45-day public comment period, VA received eight written comments.

DECISION

VA has carefully considered the alternatives, information, analyses contained within the Final PEIS and the scoping and Draft PEIS comments offered by agencies, stakeholders, tribal governments, and the public. Based on this consideration, VA concludes that implementation of the Proposed Action is in the best interest of Veterans and the public. Implementation allows VA to meet congressional mandates and other regulatory requirements and to fulfill its obligations to Veterans.

RECORD OF DECISION APPROVAL:

I certify that this PEIS and ROD meet the technical standards regarding preparation of NEPA documentation as prescribed by 38 CFR Part 26, VA's NEPA Interim Guidance for Projects, and VA Directive 0067, VA National Environmental Policy Act Implementation.

GLENN ELLIOTT

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Date: 2022.08.26 17:04:37 -04'00'

Signature: _____

Date: _____

Title: VA NEPA Implementation Officer

It is my decision to approve and implement the PEIS Proposed Action. VA will continue to operate and actively manage VA's HLP. No avoidance, minimization, or mitigation measures, nor any monitoring of such measures, are needed for the Proposed Action.

This ROD is subject to the Anti-Deficiency Act (31 U.S.C. 1341). VA's responsibilities to implement any actions under this ROD are contingent upon the availability of appropriated funds from which payment, if any, can be made.

Signature: Joshua Jacobs

Date: 10/4/22

Title: Senior Advisor for Policy, Performing the Delegable Duties of the Under Secretary for Benefits