SPECIALLY ADAPTIVE HOUSING

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

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SPECIALLY ADAPTIVE HOUSING

THURSDAY, JUNE 7, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:04 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Donnelly, Hall, Boozman.

OPENING STATEMENT OF HON. JOHN J. HALL

Mr. HALL [presiding]. Good afternoon, ladies and gentlemen. The Committee on Veterans' Affairs, Subcommittee on Economic Opportunity hearing on Specially Adaptive Housing (SAH) will come to order.

Before I begin with my opening statement, I would like to inform all of our guests that Chairwoman Herseth Sandlin is currently held up at another Committee markup and will be joining us as soon as she is finished.

I would also like to inform the Subcommittee members and attendees that the American Legion, Mr. William Studebaker, and Mr. and Mrs. Floyd Fraser have asked to submit a written statement for the hearing record.

If there is no objection, I ask for unanimous consent that their statements be entered for the record. Hearing no objection, so ordered.

[The statements appear in the Submissions for the Record and are on pages 45, 47 and 49.]

I want to thank the Chairwoman and the Ranking Member for holding this important hearing. As we have discussed before, the ratio of wounded to killed in Iraq is sixteen to one.

While this shows the drastic improvement in battlefield medicine, caring for these new and severe injuries will require long-term support from the Federal Government.

The Specially Adaptive Housing program is extremely important to the health and well-being of our veterans. This program is designed to allow our injured servicemembers to return to their homes. It allows them to resume a more normal life and being in a familiar environment, potentially helps treatment for those with severe injuries.

However, I am deeply concerned that this program is underfunded. The graphic next to me is a fundraising flyer for Marine Sergeant Eddie Ryan.

Sergeant Ryan's story is very well-known in the Hudson Valley. He was shot twice in the head in Ramadi. Doctors thought he had little chance to survive. He battled, however, and after months of therapy was well enough to begin to think about returning home.

Home was not ready for him though. The hallway to his bedroom was too small for his wheelchair and the living room could not fit him and his family at the same time. Renovations to the house were estimated at $100,000.

Since the house was owned by Sergeant Ryan's parents, he was only eligible for $10,000. Out of desperation, the family tried to get ABC's Extreme Makeover to modify their house. A family whose son nearly died for his country had to beg a television show to help them.

Nothing came of this and the family had to continue to look for options. Eddie's parents ultimately transferred the house to their child so they could receive $50,000. To make up the difference, they relied on donated labor from local contractors and fundraisers like the one you see advertised on the display board to pay for the construction material.

Ultimately the house was remodeled and Eddie was able to return home. He still faces serious rehabilitation and the family continues to face out-of-pocket costs for his care.

The support Eddie Ryan received from his community is heartwarming and laudable, but it should not be necessary. No servicemember who has been seriously wounded defending his country, nor his family, should be required to beg their neighbors for support.

Eddie Ryan's family was dependent on help from local Veterans Service Organizations (VSO's), on fundraisers, and on people selling tee shirts to get the money to allow their son to come home. The flyer is an indictment on how we treat our veterans.

Families in this situation should be focused on helping heal their wounded soldier. They should not be worried about where the next check is coming from. These injured troops have paid a very high price. It is incumbent on their government not to ask them to pay the cost of adapting to their injury.

I recognize the Ranking Member, Mr. Boozman, for any opening remarks.

OPENING STATEMENT OF HON. JOHN BOOZMAN

Mr. BOOZMAN. Thank you very much, Mr. Hall. I think the story that we just heard really does tell us how important the hearing is that we are going to have today. The Specially Adaptive Housing grant program is relatively small and is not as well known as programs such as the GI Bill. But it is vitally important to those who qualify for the program, whether as a result of combat, as we just heard of, or the effects of diseases such as diabetes.

That is why I want to thank Chairwoman Herseth Sandlin for holding the hearing and also for her leadership in this area. I also thank our witnesses in advance for their testimonies on this important program.

I note that the Chairwoman has a bill, H.R. 675, to increase the maximum grant amounts and I would like to ask her to add me to the list of cosponsors.

Again, the story that we just heard illustrates how important this is. Legislation affecting veterans' programs, including those designed to help our seriously disabled veterans, must comply with the budget rules on mandatory funding.

And I hope Mr. Pedigo can give us an estimate of the PAYGO cost for that bill, the bill that we will be considering in the future, so that we can go about the process of identifying offsets.

And certainly myself and our staff will be working with Ms. Herseth Sandlin and her staff in order to get those identified and find whatever offsets that we can so that we can go ahead and move her bill forward.

Again, thank you, Mr. Hall, and we really do look forward to the testimony of the witnesses.

[The prepared statement of Congressman Boozman appears on p. 31.]

Mr. HALL. Thank you, Mr. Boozman.

We have been called for a series of votes, so counsel has informed me that our best course of action may be to take a pause now, go vote, and then come back right away and hear from our first panel.

I think if you would be patient with us while we do that, that will be the quickest way of our getting to the testimony that we all need to hear.

We will go into recess for ten minutes or so while we run across the street and vote.

Mr. BOOZMAN. Thank you all. The only thing we have to do here is vote.

[Recess.]

Mr. HALL. Welcome back. You were not the ones who left. I am welcoming us back. But at any rate, the Subcommittee will come to order again.

Mr. Boozman, thank you for your remarks.

Joining us today in our first panel is Brian Catalde, President of the National Association of Home Builders; and John Gonsalves, President and Founder of Homes for Our Troops.

Your written statements will be entered into the hearing record, so you may deviate from them if you would like.

Mr. Catalde, you are recognized for five minutes.

STATEMENTS OF BRIAN CATALDE, PRESIDENT, NATIONAL ASSOCIATION OF HOME BUILDERS, AND PRESIDENT AND CHIEF OPERATING OFFICER, PARAGON COMMUNITIES, EL SEGUNDO, CA; AND JOHN GONSALVES, PRESIDENT AND FOUNDER, HOMES FOR OUR TROOPS

STATEMENT OF BRIAN CATALDE

Mr. CATALDE. Mr. Hall, Ranking Member Boozman, and members of the Subcommittee, my name is Brian Catalde and I am President of the National Association of Home Builders (NAHB).

I want to thank you for holding this hearing today to bring focus on the U.S. Department of Veterans Affairs (VA) SAH program and to explore ways the program can be expanded and improved to bet-

ter serve the thousands of severely injured veterans whose homes must be modified in a way to allow them to live independently.

The flexibility added in the "Veterans Housing Option Benefit Act," which was signed last June, went a long way to help the SAH program, providing much-needed funds for the veterans who otherwise would not be able to live independently. I want to thank this Committee for their leadership in passing that reform.

As you are aware, medical advances in the last years have enabled many servicemen wounded in service to return from a war which otherwise would have been a casualty in the past. As builders and remodelers, the National Association membership is committed to meeting the needs of these heroes.

The leadership and the staff of the National Association of Home Builders Remodelers Council, an active sector of the National Home Builders membership representing 14,000 remodelers, are spreading the word about the SAH program and how it can be used to help the needs of the severely disabled veterans.

One of the NAHB Remodelers' designation programs is Certified Aging in Place Specialist or CAPS program. It was created to equip the remodeler to specialize in the acknowledgement and the needs of the aging homeowner.

The skill gained in the CAPS training program helps the remodeler to understand and meet the needs for accessibility of the SAH grant recipient. NAHB is working with the VA leadership to encourage each of the VA SAH counselors to take the CAPS certification. The training that will be given to them will be of great help in their understanding of the remodeling necessary to meet the grant program.

The remodelers have the tools to do the job to get it done, but, however, some of the SAH program requirements discourage industry participation in the program.

Number one, it is important to ensure that the grant is spent wisely and work in the performance of meeting the vet's needs. While VA accessibility requirements are reasonable, the VA current process related to project approval is very paperwork intensive and is out of step with the industry issues. The benefit would be to minimize the paperwork and the work will get done.

Number two, the grant under the SAH program often is too low to meet the cost for the extensive changes to enable a veteran to live independently in their home. The limits which typically cover the cost of remodeling a kitchen, a bathroom, and access, however, fall far short of the funding that is needed.

The National Association of Home Builders recommend the grant ceiling be doubled to the present level and also be linked to a common measure of inflation which is CPI.

Finally, under the current law, only one grant can be used for Temporary Residence Adaptation. This would pay for the change of a residence of a family member where the vet is temporarily residing.

And after the changes have been made in the relative's home, sometimes what happens, the vet finds out he is unable to do it on his own. There needs to be a change in this program. If the vet is required to stay in this home, he should be entitled to the same benefits as if he went out on his own.

This is a real problem and needs to be changed. We hope that you would take our recommendations into consideration. And thank you for the opportunity to speak with you.

[The prepared statement of Mr. Catalde appears on p. 36.]

Ms. HERSETH SANDLIN [presiding]. Thank you for your recommendations.

Mr. Gonsalves, you are now recognized for five minutes.

STATEMENT OF JOHN GONSALVES

Mr. GONSALVES. Thank you.

Chairwoman Herseth Sandlin, members of the Subcommittee, I would like to thank you for allowing me to come here and speak. My name is John Gonsalves and I am the President and Founder of Homes for Our Troops. We are a nonprofit organization based in Taunton, Massachusetts, whose mission is to build specially adapted homes for severely injured servicemembers.

The biggest problem that we have found, and I have spelled it out in here, is the amount of the Specially Adapted Housing grant. We looked at historically where the grant has been over the years.

In 1969, the grant as a percent of the cost of a new home was 48 percent. At a high point in 1974, the grant was $25,000 where the new home price average was $36,000 representing a percentage of 69 percent. At the current level, the $50,000 Specially Adapted Housing grant only represents 17 percent of the average cost of building a new home.

If we were to allow the levels of the grant to increase with the increased cost of homes and to maintain that amount that existed in 1974, this grant would be nearly $200,000 right now.

We on average incur about $332,000 to build these homes. When we do these homes for the veteran, there is absolutely no cost to the veterans. The veteran gets the home free and clear with no mortgage.

We feel this is the right direction to go with this. If we could get this grant to represent new home costs and start looking into some of the other problems with the grant, we know as an organization we could do a lot more by partnering with the VA.

We have noticed also in the book most of it is around wheelchair accessibility. We deal with veterans with a lot of types of injuries. We are doing a home right now for a soldier named James Fair. James suffered an injury, very severe, to his right leg. He suffered a traumatic brain injury. He lost both of his hands and is blind in both eyes. We need to really look through this book and come up with new ways and new procedures and new adaptations.

The first home we built when we initially submitted the plans to the VA, the plans were turned down because we did not have a roll-in shower and grab bars. We were building this home for an upper bilateral amputee. With no arms, grab bars are not going to help him.

Fortunately, we have been working with Brian Bixler and Pat Arnold and they have been helping us along with a lot of these processes, but these processes are still a bit difficult. We have spelled out a lot of things that we hope you will consider, but the main thing is the grant.

Many of these veterans, even with the grant, will not even qualify for loans to try to build these homes on their own. If we could do more with the VA and get this funding increased, I am sure we could build a lot more homes.

We broke ground on our first home two years ago. Since then, we have finished 18 projects. We have 20 underway and we are going to take on 15 more. With the right type of funding in place, I am sure we can do tenfold. And we would like to continue with our efforts to make sure that these veterans have no mortgage. We think they have paid more than a high enough price for these homes.

I would like to thank you again for allowing me to speak. We did pass out some supplemental information. Hopefully everyone can look it over. We also included a DVD that shows some of the types of adaptations we have done. James Fair, as I mentioned, his will be one of the probably most technologically advanced homes we will do.

We have formed a partnership with Carnegie Mellon University and the University of Pittsburgh where we are actually going to work to develop technology that does not exist right now. There is a lot that we can do. I think it takes full cooperation and hopefully a partnership between Homes for Our Troops, the VA, and the members of the Committee.

And I would just like to offer my thanks again to be here, to let you know what we are doing. The American people are more than willing to get involved in things like this.

A few years ago when we started this, I was contacted by the Department of Defense (DoD). They heard about groups like ours and took action. They started a thing that is called America Supports You. It is a Web site that the DoD has to list organizations like ours. From its inception a few years ago, when there was just a handful of us groups, it has grown. There are now over 250 groups across the country doing everything from baking cookies, to giving them to soldiers who are deployed, to building homes.

The American people are willing to do this. The biggest question we get asked when we are building homes for veterans is what is the VA putting into these and when we tell them that the grant is $50,000, most people are pretty shocked that that is all it is, especially with today's home prices.

Our recommendation would be that this grant should be no less than $145,000. Thank you. I would be happy to answer any questions if you have them.

[The prepared statement of Mr. Gonsalves appears on p. 38.]

Ms. HERSETH SANDLIN. Thank you for your testimony and the great work that you do through this important program.

I do have some questions, as I am sure the Ranking Member does as well, but if Mr. Boozman would accommodate allowing Mr. Donnelly to make an opening statement, I will recognize him now for that statement.

OPENING STATEMENT OF HON. JOE DONNELLY

Mr. DONNELLY. Thank you, Madam Chairwoman, and thank you, Ranking Member Boozman.

Unfortunately because of a scheduling conflict, I will not be able to stay for the duration of this hearing. However, I would just like to say a few words as we begin.

I believe the Specially Adaptive Housing program is a crucial component in living up to our government's commitment to America's veterans. In Lincoln's words, "to care for him whom shall have borne the battle. . . ."

SAH grants are instrumental in ensuring that Americans who are seriously disabled in service to their country can live an independent, safe, and productive life in their own home. This is a program I think we can all strongly support and I am glad our Subcommittee is taking a close look to see whether it can be improved.

Today I am pleased to bring to the Subcommittee's attention two pieces of testimony submitted by constituents of mine, one by Mr. William Studebaker and one by Mr. Floyd Fraser and his wife, Linda. In the words of Mr. Studebaker, the SAH grant has been a life saver.

In both cases, these veterans and their families have good overall opinions and I believe their testimonies provide helpful, firsthand feedback on this program. Their stories also hint at areas of the SAH program that could be improved.

Our Subcommittee should carefully consider whether the current grant amounts are sufficient to meet the needs of veterans participating in SAH. Further, we should consider what can be done to improve awareness of this program for veterans and contractors.

And, finally, Madam Chairwoman, we should consider whether the VA can improve efficiency and reduce the bureaucratic burdens on our veterans and their families.

Thank you very much, Madam Chairwoman and Ranking Member Boozman. Thank you.

Ms. HERSETH SANDLIN. Thank you, Mr. Donnelly.

Let me begin with a question for Mr. Catalde and thank you for the great work that the National Association of Home Builders does.

Many of your members from across the country I know are in town this week. I had the pleasure of meeting with our homebuilders from South Dakota yesterday. I know they are as interested, as I am sure some of the other States are, in doing what they can, as they are doing down in Yankton, South Dakota, for a young servicemember coming back from rehabilitation in California to have a new home constructed to help meet his needs.

I will have a few questions for you, Mr. Gonsalves, about some of your testimony and some of the obstacles that we have seen there because he is still on active duty and we have made some changes to accommodate them.

Mr. Catalde, could you elaborate on your recommendation that the VA consider establishing local or regional panels of approved remodelers or contractors?

Mr. CATALDE. One of the discussions was that when you start a project, there is no common ground to start. And each project is analyzed on its own.

In California, we had this same issue with schools and what we did is we standardized plans and we came up with standardized plans and standardized builders that could do the work.

The current process is a lengthy process of approval and if you would check the number of counselors you have to service this program, if I remember correctly, the number is 67 counselors that have actual jurisdiction over the work that is being done. That is not ample, so there needs to be standardization and you need to go to the private sector to get help in this.

We have this designation which I talked to you about, CAPS, and really it was a program to teach contractors to work with the elderly, special needs there, handrail heights, different issues that were in their homes.

A lot of those needs are the same that the vets have in requirement. But as mentioned earlier, each one of those have an impairment that requires a little something different, but you can standardize this.

And if plans were standardized and used and your counselors knew what was involved and had a resource of people preapproved that they could say here is the grant. I would ask you to take a look at the time applied for a grant until the project starts. I do not have your records. I cannot look at that. But I believe if you look from the application time until actual physical work begins, you will find that is longer than the project.

Ms. HERSETH SANDLIN. Thank you.

So that I can ask all of my questions at once, I am going to defer to the Ranking Member for questions he may have and to Mr. Hall. Then I will come back, Mr. Gonsalves, to pursue a line of questioning with you.

Mr. Boozman?

Mr. BOOZMAN. Thank you, Madam Chairman.

In followup, I guess if we had a list, who would determine the qualifications?

Mr. CATALDE. It depends. Each State has its own licensing issue and the majority of the States have licensed contractors. I would believe that if a State, not all of the States have licenses, but if it is a licensed contractor and recommendations—and this panel in California, we have a panel that goes through the licensing, and there are recommendations that go with that and these people are determined.

My company personally, we build assisted living facilities. The learning curve to get in to go from a homebuilder to being assisted living, we spent almost a year and a half in research to figure out the needs of that. You need that type of specialist in here.

So taking, for example, and we are not the only one, a number of people that specialize in accessibility issues, which are the biggest problem that we have. The need in California, we have homes where we are required by law that if you have a large subdivision that one-third of the homes can be retrofitted. In other words, the cabinets are built specially to be taken out. The appliances in the kitchen, the same type of issues.

There are individuals you can go to. The State Licensing Board would be one that would be approved in the specialist and each of us carry a different designation. The remodelers carry a separate designation from a homebuilder.

Mr. BOOZMAN. Very good. You mentioned indexing. I think both of you probably would be in favor of that. And you said you use

the CPI as your base. As a homebuilder, would that be the appropriate index to use?

Mr. CATALDE. Funny you would ask that question. I was with Chairman Bernanke this morning and I was with the top 100 suppliers in the United States. There were 20 of us that were there to meet with him to talk about what was happening, the cost of material, petroleum materials exceeding CPI. And that is all the plastics used. Copper, same thing. Copper is going through the ceiling.

The CPI is a way to at least build a hedge into the system. I do not expect that the petroleum products are going to continue at the rate they have increased. Copper is a problem and will be a problem, but plastics, more and more plastics are being used in homes now.

Mr. BOOZMAN. Thank you.

Mr. Gonsalves, I am a little confused. If your organization, if it donates to the vet at no cost does the vet qualify for the grant program?

Mr. GONSALVES. Well, technically they do not because the way the grant is written, it can be up to $50,000, but not more than half the cost of the home to the veteran. So what we have had to do is we have all our bills and anything that we have to pay for actually gets written as an invoice to the veteran and we pay these invoices on their behalf.

Mr. BOOZMAN. I see. So that is how you get around it——

Mr. GONSALVES. Yes.

Mr. BOOZMAN [continuing]. Which is good. Very good.

Okay. Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Gonsalves, there are a number of things in your testimony. Let me ask this first. In your written statement, you mentioned that in order for a qualifying veteran to receive the full SAH grant, the veteran must show a cost of $100,000 in home purchase or home adaptation cost.

Have you experienced incidents where the full SAH grant was not awarded and where it was needed?

Mr. GONSALVES. Well, with the houses we have done so far, we have not gotten all the way through the paperwork to receive any of these grants yet. The only grants that have been applied to any of the projects we do are if a veteran already owned land and owed money on it or already owned a home and we came in and retrofitted it.

For instance, we did a home in California for a quadriplegic named Juan Beltran. We went in and made his home accessible for him. He had already owned the home, had a mortgage. I think it was about $340,000. So instead of taking the $50,000 grant and applying it to the work that was done, we had that money applied to pay down the mortgage.

Same thing if a veteran owns land and there is a mortgage on the land. We will build the home and they will show what they have paid for the land and we have the grant applied to that mortgage so that they end up owing less money. Then from there, everything we do is at no cost.

Ms. HERSETH SANDLIN. You also highlighted that the average cost of building a fully specially adapted home is $336,000. Is that a national average or a regional one?

Mr. GONSALVES. That is our national average based on the homes that we have done. We have worked in about 18 States so far. So we have taken the cost of the different homes that we have done and that is the average that we are paying which is just over 10 percent more than the median cost of a new home. So it is a little bit more, but the homes that we do are extremely specialized.

We go well beyond the recommendations of the VA. We work with a lot of companies. We will put proximity readers for front doors which sort of works like a mobile speed pass. Just when you are within the proximity, if you have the little card reader, it will unlock the door.

We work with a company called Toto that makes toilet seats that are a bidet combination. It actually has a wand that comes out. It does front, rear cleansing. It is heated. It dries. It takes care of everything.

We go well beyond and try to look at what the veteran's individual needs are. The book has a lot of great things, you know. The requirements for ramps and the pitch that they are at, that is all right on. There is a lot, but there is a lot more that we can do.

I mean, when I first got a copy of this book, my first thing was can't they get me a newer copy. I did not realize this. I mean, the last time this was updated was April 1978. Most of the men and women in Iraq were not born yet.

So there is a lot of new technology that can be put into this is what I am saying. A lot of what we do did not exist when this book was made.

Ms. HERSETH SANDLIN. I may verify and seek answers from some of our other witnesses with regard to whether or not there is not—so you are saying you tried to seek an updated copy and the most recent copy that you were provided by the VA was——

Mr. GONSALVES. Well, I was just making comment that, you know, a lot of what is in here is okay. It is based around wheelchair accessibility. So what I had originally thought was that there were newer copies than this because I saw that it said 1978, but that is the last time that this had been updated. And that is why I am talking about the sort of technology that we do.

A lot of what these veterans need is not in this book and this book really needs to be updated to reflect technologies that can help people with the types of injuries, somebody like James Fair who I mentioned that is blind in both eyes plus has no hands. A lot of what is in here is not going to help him.

But there is a lot of new technology, a lot of it is just in the past few years. And I think that is something that the VA should look at as these things are coming out, how does this translate into things that are going to help a lot of these veterans.

Ms. HERSETH SANDLIN. Those are many good points that you have made there. In terms of vision impairment, you have worked with 18 disabled veterans, correct?

Mr. GONSALVES. Right.

Ms. HERSETH SANDLIN. Have all of them required these for wheelchair?

Mr. GONSALVES. No. The first home we built was in my home State for a soldier who lost both arms. We work with quadriplegics, paraplegics. You know, some of them are blind. Some are combinations of all of those things.

Ms. HERSETH SANDLIN. Are you aware of any problems that they have had if they do not require the use of a wheelchair in getting the Specially Adapted Housing grant?

Mr. GONSALVES. No. I do not think not getting it, no.

Ms. HERSETH SANDLIN. Ultimately. But have there been any obstacles? Have there been any questions raised by anyone that you are familiar with within the VA about disabled veterans who are not required to use a wheelchair but are seeking a Specially Adapted Housing grant?

Mr. GONSALVES. The first home that we built was for Sergeant Peter Damon from Massachusetts. He lost one of his arms above the elbow and one below the elbow. Initially, because he still has an elbow on one side, they said that he would only qualify for $10,000 worth, but it depends on interpretation on some of this. So we had somebody else look at his case and put it before and then they did say, yes, he will qualify for the full $50,000.

Ms. HERSETH SANDLIN. Who was it that you had look at his case more closely?

Mr. GONSALVES. We actually had somebody from Paralyzed Veterans of America who early on became an advisor to me to explain how these things work. And he said that was the problem. It depends on who does it and how they interpret loss and loss of use.

Ms. HERSETH SANDLIN. Thank you.

Mr. Hall, did you have any questions for the panel?

Mr. HALL. Thank you, Madam Chair. Just a couple.

Mr. Catalde, you had mentioned that the current VA grant process is paperwork intensive and I was wondering if you can give examples of this or recount any remodelers who became discouraged from working with a veteran due to the paperwork requirements.

Mr. CATALDE. Before my testimony, I checked with the head of the Remodeler Council which I appointed and asked him if he had done any work on this. And he said yes. I said how did it go. He said normally for him to draw a set of plans and get them submitted and get everything approved in a city would take him anywhere from 45 to 60 days. And it would take him about two weeks to get the approval in the same magnitude of a project as this one. He said that timeframe was six months with the veteran.

And he said the problem he had, he just wanted to do the work and, meanwhile, the veteran does not know the answer, does not know if it is going to happen, and he said it was just horrible for him. He said that he has talked to other members of the council. There are 14,000 of them in total. And most of them look at it as a business proposition and it is to break even.

Mike told me personally he completed it. The grant was the full $50,000 and he wrote a check for $8,500 of his own money. And I said are you continuing to do it. He said yes. He says I owe that to the country.

Mr. HALL. Well, God bless him and I hope there are more, and I trust there are more, like him out there.

Mr. Gonsalves, are you aware of any costs you can tell us about that are incurred by the veteran to complete the required paperwork in applying for an SAH grant?

Mr. GONSALVES. Cost to the vet——

Mr. HALL. Right. The paperwork that we were just talking about, does this cause the veteran to incur additional costs?

Mr. GONSALVES. I do not believe it is any additional cost to them. I know the problem that we have had is because of sometimes the amount of time it takes to get the approval. If everything does not get submitted and worked through the VA ahead of time, you cannot go back and get the grant after.

We actually have homes where we had builders and people that just did not want to wait. And we got these homes built in 90 days and we will never see the grant to get any of the costs on that. And it is just something that we were willing to do and not worry about getting the $50,000 because we had the people waiting to build the house.

And in some of these cases, one of the houses that we did was in Philadelphia. The community stepped up so much that this veteran got cable for life, Internet for life for free, laptop computers, fully furnished, right down to food in the fridge and new tooth brushes. People were just waiting to do this and we could not wait.

So, unfortunately, sometimes we cannot even wait to start the process just because we have people that will get these houses done in a matter of a few months. So we just go ahead and build them and not worry about it.

Mr. HALL. That is great. That is really great to hear and I think that should lead the news tonight. I am happy to hear a good story like that leading the news.

The last question I had was you mentioned redefining specially adapted so that resources provided to adaptations needed for today's servicemembers would be appropriate as opposed to the needs of veterans of previous wars.

Can you provide us with any information on instances in which unnecessary adaptations were built and resources could have been better used?

Mr. GONSALVES. Well, we did a house in Springhill, Louisiana, for a soldier named Kyle Berlison who was shot in the cheek by a sniper and the bullet went through his spinal cord. And he's a quadriplegic on a respirator. He has very little head movement, just enough to move a toggle switch to operate his wheelchair.

To be able to work through the VA grant in this one before we came up with the ways where we got the invoices done to the veterans, we had this veteran get a loan for $100,000, put it into a bank account so that he could get the $50,000 grant.

The problem with it is before we could get the approval for the grant, we had to show that we were putting the grab bars and things in this house. There is no way that this soldier will ever be able to use a grab bar.

What we did put in there is he has a tube next to the arm that has the toggle to operate his wheelchair that he can blow into and it will open and close doors. So we look at what is really appropriate for the individual veteran.

I would be more than happy to have our organization work with anyone in the VA to go through all the technology that we are working with at CMU and the University of Pittsburgh. And we have a lot of resources with those two universities and a lot that we have done in the past and we could put a whole checklist together that really matches adaptations to an individual veteran's needs. And we would be more than happy to work with you on that.

Mr. HALL. Thank you very much.

Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you.

Mr. Boozman.

Mr. BOOZMAN. Thank you, Madam Chairman.

I guess in regard to that, if the work is actually done and if you start making these significant modifications, you are actually decreasing the value of the house more. In other words, there is a limited market for these type of modified houses, is there not?

I mean, if you are a realtor and you are trying to sell a handicapped this and that, that is not like remodeling the kitchen, you know. See what I am saying? Does that not actually reduce the value of the house for the average buyer?

Mr. CATALDE. That was my argument before the city of Los Angeles invoked the 10 percent and then the 25 percent requirement. And we now have the technology to build these homes that when you walk in there and you look at that kitchen, you cannot tell it is any different from any other kitchen. But with the removal of approximately 20 screws, a changing of one piece of appliance in the home, the bathroom, the accessibility through that, that is not a real decrease in value.

The perception of the ramp at the front of the house in most cases, that is wood. It can be put in and removed. Very rarely are those permanent ramps poured in concrete.

But to answer your questions, if in that State, yes, but the technology that we now have for cabinet companies, we actually put the linoleum right under the cabinet so if the cabinet is taken out, the linoleum is there in the bathroom or the tile.

It exists today. It can be done that way very easily and the only real setback to it is the ramp in front. And if it is a temporary ramp with wood, that is it.

The other issue is that there is a lot of standards that as homebuilders we are required to meet which are the Americans with Disabilities Act (ADA) standards. So whether the veterans may not have arms, we still are required to meet those standards even though they are not needed. And those we have to put in every home we build and we continue to do that.

But the technology has changed and I have not seen this book, but it would not be a surprise to me to look over and see that there is a manual sitting there that is older than our veterans and that——

Mr. BOOZMAN. And I think that is excellent that we are able to do that with technology. I guess my point was that there is really—one of the things that we worry about with grants and things like that is making sure as far as fraud and things like that—if you talk about things in a conventional way, if you make these modi-

fications in an effort to help somebody like we want it done and the work is really done you are really not increasing the value of the home. See what I am saying? And, again, that to me is just a lessening of the fraud aspect of it.

Very quickly, Mr. Gonsalves testified the fact that $300,000 plus is the price for an average home. In Arkansas, that would be a little bit steep. Would you agree with that?

Mr. CATALDE. The State I am from is California.

Mr. BOOZMAN. Nationally?

Mr. CATALDE. And so an entry level house which I build in California is about $500,000. I have some communities where we build in northern California, upper-end communities, and to pull a permit in that community, I have to walk in with a check for $145,000 to pull a permit. So it does not apply.

Mr. BOOZMAN. Well, I think Ms. Herseth Sandlin and I live in different parts of the world. Thank you very much.

Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Gonsalves, did you want to address any of the questions of Mr. Boozman?

Mr. GONSALVES. Well, I think the same thing. I do not think making a home handicapped accessible is really going to decrease the value. Depending on the type of foundation it sits on, you may not have a ramp. A ramp is probably the one thing visually that you would notice.

But on the inside, other than, you know, if you have a couple of grab bars or something, the homes we do end up really beautiful. A lot of them, I never expected them to come out as good as they did. You know, more often than not, we end up putting granite countertops in these homes just because the local granite countertop companies want to give them to us.

So most of what is done I do not think will really reduce the cost too much. What you end up with is larger bathrooms, wider doors, more open floor space which I think more often than not is desirable.

Ms. HERSETH SANDLIN. Just one followup question. The $336,000 that you identified as being a national average for the homes that you have done, how is the cost of materials provided in kind calculated into that average?

Mr. GONSALVES. That is calculated in there. So that was just like if nothing was donated and we pay it, that is what the cost would be. We have corporate sponsors like Simonton Windows that when we put an order for a home, we will get a cost breakdown of what the cost of these windows would have been. So that is how we figure these numbers out. And we are pretty much right in line with the national average when we figure it.

I think on some of them, we may have even been a little low just because of the high quality of what we get, just because people want to help. You know, people support the troops. We are probably pretty evenly divided in this country about the war, but I think people have realized supporting the troops, it is not a left thing, it is not a right thing, it is the right thing.

Ms. HERSETH SANDLIN. Well, thank you both very much. I thank you for accommodating the delay in the start of the hearing. I

apologize for that. We are trying to fit in quite a bit this week in a number of other committees and there were just uncertainties about the markup and the votes in another committee. But I appreciate it.

I know you have other places that you need to get to this afternoon to share the great work that you are doing with others. I want to thank you for being here, for your testimony, and thank you for the great work that you are doing on behalf of our veterans who are a new generation of veterans who want to be able to take advantage of new technologies that the industry has incorporated. We need to be able to adapt to that and the programs that we have jurisdiction over and working with the officials at the VA to make it work as best as possible. Thank you very much.

Mr. GONSALVES. Thank you.

Ms. HERSETH SANDLIN. I would now invite panel two to the witness table. Joining us on the second panel of witnesses is Mr. Carl Blake, National Legislative Director for the Paralyzed Veterans of America; Mr. Brian Lawrence, Assistant National Legislative Director for the Disabled American Veterans; and Mr. Thomas Zampieri, Director of Government Relations for the Blinded Veterans Association. Your written statements will be entered into the record as well.

Mr. Blake, we will go ahead and begin with your testimony. You are recognized for five minutes.

STATEMENTS OF CARL BLAKE, NATIONAL LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; BRIAN E. LAWRENCE, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; AND THOMAS ZAMPIERI, PH.D., DIRECTOR OF GOVERNMENT RELATIONS, BLINDED VETERANS ASSOCIATION

STATEMENT OF CARL BLAKE

Mr. BLAKE. Madam Chairwoman, members of the Subcommittee, on behalf of Paralyzed Veterans of America, I would like to thank you for the opportunity to testify today on an issue that is probably of the utmost importance to PVA and its membership.

Since its founding in 1946, PVA has advocated for the idea that the disabled veteran should have the same access to and use of his or her home as a nondisabled veteran.

PVA began lobbying Congress in 1947 for legislation that would provide a Federal grant to make homes accessible. We argued that paralyzed veterans were forced to remain in the hospitals because their former homes could not accommodate their wheelchairs.

In 1948, the U.S. Congress passed Public Law 702. Under this law, the VA, now the Department of Veterans Affairs, approved $47 million for the construction of wheelchair-accessible homes.

Through the years, the SAH grant has been adjusted in an attempt to keep pace with the rising cost of home construction. However, it has been done in a seemingly random fashion and with no set timetable for periodic adjustments. As a result, it has lagged behind the obvious rising cost of construction.

Public Law 108–183, passed in 2003, provided the last adjustment to the SAH grant. At that time it was increased to $50,000

from $48,000. Meanwhile, construction material costs for single-family homes have significantly increased during that time. In fact, according to the National Home Builders Association, from 2002 to 2005, the average construction cost increased from approximately $76.00 per square foot to more than $90.00 per square foot, about a 20-percent increase.

Most, in fact nearly all, SAH grants are used for building new homes because it is difficult to find an existing home that can be made totally accessible and be done at a reasonable cost. It is a simple fact that there are significant cost savings by building accessibility into a new home rather than modifying an existing home. It is estimated that new construction is 10 to 15 percent less expensive than renovating an existing structure for the same exact features.

Based on information from our architectural department, PVA recommends that the grant be increased by 20 percent to $60,000. PVA members are the highest users of this very important grant. The grant allows veterans with severe service-connected disabilities to realize the dream of owning their own home when they otherwise may not have had the opportunity. PVA also believes an equivalent increase in the grant for veterans with service-connected blindness should be made from $10,000 to $12,000.

Our architectural staff estimates that building a fully accessible bathroom alone for the needs of a high-level spinal cord injured veteran could cost anywhere from $30,000 to $50,000. Making all other normal living areas in the home, including the kitchen, the bedroom, and the living room, more accessible would add significantly more cost.

In accordance with the recommendations of the Independent Budget (IB), we also urge the Subcommittee to consider legislation that would require the VA Secretary to establish a residential home cost-of-construction index to be used automatically to adjust the amount of these grants each year.

As the housing market has continued to boom, these grants have not kept pace. Without an annual adjustment to the grants, inflation will continue to erode their purchasing power.

PVA would also like to make an additional recommendation, in accordance with the policy contained in the IB for fiscal year 2008. Like the needs of other families today, veterans' housing needs tend to change with time and new circumstances. An initial home may become too small when the family grows or become too large when children leave home. Changes in the nature of a veteran's disability may necessitate a home configured differently and changes in special adaptations may be needed.

These things merit a second grant to cover the costs of adaptations to a new home. We hope that the Subcommittee will consider this additional benefit as it seeks changes or improvements to the Specially Adapted Housing grant.

Chairwoman Herseth Sandlin and Ranking Member Boozman, PVA would once again like to thank you both for the focus you have put on this issue. Ms. Herseth Sandlin, we particularly appreciate your strong advocacy to make these needed changes to the SAH grant, and we hope that your Committee will expeditiously consider your legislation, H.R. 675.

I would like to thank you again for the opportunity to testify, and I would be happy to answer any questions that you might have.

[The prepared statement of Mr. Blake appears on p. 32.]

Ms. HERSETH SANDLIN. Thank you very much, Mr. Blake.

Mr. Lawrence, you are recognized for five minutes.

STATEMENT OF BRIAN E. LAWRENCE

Mr. LAWRENCE. Thank you.

Chairwoman Herseth Sandlin, Ranking Member Boozman, and members of the Subcommittee, I am honored to present the views of the Disabled American Veterans (DAV) on this Specially Adaptive Housing program. On behalf of our 1.3 million members, I express our appreciation for this opportunity.

Madam Chair, before I cover the DAV's recommendations, I want to convey the sincere thanks of our members for your continuing efforts to provide for the special needs of severely disabled veterans and their families. Throughout your tenure on the Committee, you focused on this important issue and it is noted and appreciated.

Specially adapted homes are considerably more expensive than conventional homes. However, while building costs have risen, the grant has remained relatively flat. The last increase in 2003 was not adequate to keep pace with rising costs.

The original $10,000 grant was established in 1948. According to the Consumer Price Index, what cost $10,000 in 1948 would cost more than $87,000 today. Therefore, the current maximum amount holds just over half the market value of the original grant.

The DAV has a longstanding resolution calling for a realistic increase and an automatic annual adjustment based on the cost of living. As such, the DAV fully supports the legislation you introduced, Madam Chair, H.R. 675, the "Disabled Veterans Adaptive Housing Improvement Act," which would increase the $50,000 grant to $60,000 and increase the $10,000 grant to $12,000. And the bill would provide for automatic annual adjustments. We hope that the proposals contained in this bill will be approved by the Subcommittee.

Public Law 108–454 authorized VA to provide grants of up to $10,000 to disabled veterans residing temporarily in the home of a family member. The DAV supported this provision. However, we recommended that the amount used should be added to the overall amount to which a veteran is entitled.

In most instances, severely disabled veterans residing with a family member will eventually seek to establish their own permanent residences. In such instances, the maximum amount should be available to the veteran regardless of previous grants.

Likewise, the DAV supports H.R. 1315 which you also introduced to provide Specially Adaptive Housing grants to disabled members of the Armed Forces residing in the home of a family member. We recommend that such grants be added to the overall amount available for later use.

Madam Chair, members of the Subcommittee, that concludes my statement. I will be happy to respond to any questions you might have. Thank you.

[The prepared statement of Mr. Lawrence appears on p. 33.]

Ms. HERSETH SANDLIN. Thank you very much, Mr. Lawrence.

Mr. Zampieri, you are recognized.

STATEMENT OF THOMAS ZAMPIERI

Mr. ZAMPIERI. Madam Chairwoman and members of the House Veterans' Affairs Subcommittee on Economic Opportunity, the Blinded Veterans Association appreciates being able to testify today and having our views heard on this important issue.

We agree with the other Veteran Service Organizations that this is an area that is necessary to look at and have changes made in order to meet the needs of the wounded servicemembers returning and also for the older veterans who from previous wars have had major catastrophic types of injuries.

Our interest in this especially is that, you know, in talking to our Field Service Program Director this morning, I asked a simple question. In the 11 years that you have been our Field Service Program Director, how many blinded, service-connected, permanently blind veterans have been eligible for the $50,000 current grant? And he said I know of four, because if you are not an amputee or if you do not have other associated injuries, then usually you end up being considered only qualified for the Special Home Adaptation grant of the $10,000 which also, though, says that blindness is defined in both eyes as 5/200 vision acuity or less.

And so we have some concerns because when you look at the traumatic brain injuries who have, as Congressman Boozman is interested in, I hear, a lot of severe visual complications, but they are not going to meet 5/200 and, yet, comparing those individuals to my situation where I would not meet this requirement either, they would benefit from the grant if there was a legal definition of blindness.

In other words, a Social Security recipient is entitled to be considered legally blind with 20/200 vision or less or 20 degrees or less of loss of peripheral vision, whereas a veteran has to meet a higher standard of blindness in order to qualify for the grant.

In fact, what we have found historically is most of our members only apply for the Home Improvement and Structural Alteration grants, the HISA grant, which is only $4,100, and that comes out of the VHA side. And for a nonservice-connected veteran, the HISA grant is $1,200. Again, it is a different pot of money, but Blinded Veterans Association wanted to draw that to the attention of the Committee recognizing that we are focused today on the Specially Adaptive Housing grants and the $50,000 and the $10,000.

We are fully supportive of H.R. 675 and the increases that bill would allow for veterans. We would like to ask that the Committee consider the issue of traumatic brain injuries.

And also we were supportive of Senator Cornyn's bill in the Senate in regard to severe burns also being considered in view of the grants.

So I again appreciate the ability to be invited to testify this afternoon and appreciate this, and will be happy to answer any questions.

[The prepared statement of Mr. Zampieri appears on p. 34.]

Ms. HERSETH SANDLIN. Thank you very much for your insightful testimony. I think Mr. Boozman and I and Mr. Hall and all members of the Subcommittee are very interested in considering trau-

matic brain injury and the disabilities, the complex nature of the disabilities, that our servicemembers are facing.

I had mentioned at the outset that we have a young man from South Dakota who is still on active duty, so there is this additional wrinkle, and he suffered a traumatic brain injury and has been getting his rehabilitation in California. When his wife and mother initially applied for a Specially Adapted Housing grant, they were told that he probably would only get the $10,000 unless they made sure that there was some way that he was required to use a wheelchair.

There are problems other than vision impairment. There are severe problems that he is trying to overcome with his physical therapy, and his occupational therapy. The fact that they were warned by someone prior to applying that, to get the $50,000 he has to need a wheelchair, this really raises a lot of interesting issues for us to consider as we look at modifying these grant programs to meet the needs of today's veterans and the types of injuries that they are sustaining.

I do have a question for all of you just to start us out here because we are going to have votes called within the next ten minutes.

Mr. Gonsalves on the first panel had a pamphlet with him, the VA pamphlet 26–13, that he states was last updated in April 1978. Could each of the three of you respond to your familiarity with this pamphlet and whether or not you are aware of a more recent update?

Mr. BLAKE. Well, Madam Chairwoman, I would say first that I am not the expert on that particular pamphlet, but PVA as an organization has an entire department devoted to architecture, principally accessible design and universal design, and our architects are as familiar as maybe anyone in the entire architecture community when it comes to any type of accessibility, to include VA pamphlet 26–13.

When I actually asked this question of our Director of Architecture about the fact that the pamphlet was last updated in April 1978, that is a fact. There is no update that I am aware of, and the VA maybe can speak to that, but I am not aware of it. She was not aware of it.

There are certainly probably some need for updates as it relates to newer technologies and things like that, but I want to kind of respond to the suggestion that with that pamphlet there is a sort of rigidity with the SAH grant and kind of draw on my own experience.

I do not think it is as rigid maybe as it is laid out to be. I think there is some level of discretion throughout the process as a veteran applies for the SAH grant and then makes use of that grant once they become eligible.

I would certainly say that we usually recommend that we point veterans who have the severest disability, particularly with Spinal Cord Injury (SCI), in the direction of our service officers because they know the ins and outs of all of the benefits that the most severely disabled veterans would be eligible for to include this and know how to work their way around what the guidelines are in pamphlet 26–13 and how to best assist the veteran to meet those

requirements and still address some of their specialized needs that may fall outside of the boundaries of what are really, in my mind, minimum requirements when it comes to accessibility. That is the long answer.

Ms. HERSETH SANDLIN. Mr. Lawrence?

Mr. LAWRENCE. I do not have anything I could add to what Carl said.

Ms. HERSETH SANDLIN. Do you agree with him that it does not seem to be in your experience as rigid as perhaps was described, although we are all acknowledging until we have a chance to pose the question to our next witness, that as far as you are aware, there has not been an update of the pamphlet since 1978?

Mr. LAWRENCE. No. As far as I know, there has not been an update.

Ms. HERSETH SANDLIN. Okay.

Mr. ZAMPIERI. I am not aware of anything new. And just as the previous panel said, I am concerned about where we are headed here with the new technologies. And part of that gets more complicated, too, because a lot of the prosthetic devices that are developed for the blind are incorporated into the, you know, virtual homes now and it gets real complex.

The Intrepid Center in San Antonio, Texas, by the way, is already exploring the virtual new home. And so even though they have only been open since the end of January, one of the things they are already doing from I guess a research standpoint down in San Antonio at the new Intrepid Center working with the Brooke Army Medical Center and VA in San Antonio is the virtual home. And that should scare everybody because it is like having everything computerized, you know, the different things in the home.

So, you know, technology is great and it allows people to live independently and it is going to be a challenge, and I am not being critical of the VA, to keep up with this because our major goal is to keep people living as independently as possible and be able to hopefully have them at home and be able to get them into employment so that, you know, the worst case scenario is these individuals could easily end up in a nursing home.

And the cost for a one-year hospitalization in a nursing home in the United States is no secret. It is about $45,000 a year if one of these young, traumatic brain injured, blind servicemember's only alternative is the family puts them in a nursing home. That is what the cost will be for that.

Ms. HERSETH SANDLIN. Thank you to all of you.

Mr. Boozman, do you have questions? I think we have enough time.

Mr. BOOZMAN. Just very briefly. I really do not have a question.

I just want to thank you all for your advocacy. And, again, I think what was just said about the importance of helping these individuals become employed and being productive members of society which they desperately want. Keeping them out of institutions is certainly what we all want, and you all do a tremendous job of advocating and helping us do that.

In regard to the vision question, whether it is from traumatic brain injury or for whatever reason, as an optometrist, my brother is an ophthalmologist, being part of a very large clinic, we worked

with this type of thing all the time in the sense of trying to help determine amount of disability for various entities.

And the way that we are doing it in the VA there is no other way with any of those entities, and I agree with you totally. It is something we have to clean up. There is not a very rational basis behind it.

And, again, that is something that I agree with you about and we really are working hard to try and get that fixed. So thank you.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Hall?

Mr. HALL. I would just like to associate myself with the remarks of the Ranking Member and the Chair of the Committee and thank you for your testimony. I do not have any questions. Thank you.

Ms. HERSETH SANDLIN. Let me thank you for your statements in support of the bills that I have introduced and your suggestion that we take a look at the grant that would be provided under H.R. 1315 for adaptations to a family member's home added to the overall amount. We will certainly take that into consideration. I think I understand the basis for which you are making that recommendation.

This is an area where I do have a special interest as I know you have just heard from Mr. Boozman that he does too. We want to do all that we can update where we are. I think that we have heard about the need to find some balance in terms of helping meet some basic needs for independent living that will include incorporating some new technologies.

Perhaps, as Mr. Zampieri has described, just how focused at this stage we are going to be on that given the costs associated with, as I think Mr. Gonsalves clearly described, a $336,000 home, as Mr. Boozman said in Arkansas and South Dakota will be living in the nicest, and we want nice, suitable homes for our veterans, but we also have to recognize that there are going to be some regional differences. We are not just looking at the need for the veteran to have a manner in which to live independently to avoid the cost for long-term care, and I share your concern that some of our traumatic brain injured soldiers who have not been getting the kind of longer term physical therapy that they deserve have already found themselves unfortunately in that environment, but also the market value of the home, the investment and the equity that the veteran has in that home.

I thank you again for your comments, your testimony, the expertise and insight that you have offered. We will look forward to working with you more on the bills that have already been introduced, others that may be introduced in the future, and take your advice and counsel into consideration.

We do have two pending votes, so we will break and come back for our final panel which includes our one witness who we look forward to hearing from in light of the testimony we have received from the first two panels today. I anticipate we will be back sometime right around five o'clock. Hopefully we will be able to resume.

Okay? Mr. Boozman, does that sound good to you? All right. Very good.

[Recess.]

Ms. HERSETH SANDLIN. We would now invite our witness for panel three to the witness table. Participating in our third panel is Mr. Keith Pedigo, Director of Loan Guaranty Service for the U.S. Department of Veterans Affairs.

We welcome you back to the Subcommittee. Again, as I mentioned, thank you for accommodating the schedules here today. We appreciate it and we look forward to your testimony. You are recognized for five minutes.

STATEMENT OF KEITH PEDIGO, DIRECTOR, LOAN GUARANTY SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. PEDIGO. Thank you. It is a pleasure to be here this afternoon.

Madam Chairwoman and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss VA's Specially Adaptive Housing program.

In my testimony, I would like to highlight VA's commitment to meeting the housing needs of our Nation's most seriously disabled veterans.

The VA home loan program serves a clientele that is diverse in many ways. The only common denominator of this clientele is service in the Armed Forces of the Nation.

Specially Adapted Housing grants for severely disabled veterans are among the most important benefits that the Loan Guaranty program provides. Veterans who have certain service-connected disabilities may be entitled to a grant from VA for the purpose of constructing an adapted home or modifying an existing home to meet the veteran's needs.

The goal of the grant program is to provide a barrier-free living environment which affords the veteran a level of independent living that he or she may not otherwise enjoy. Since the inception of this program in 1948, VA has provided approximately 34,000 grants totaling $650 million. There are three types of grants administered by the Loan Guaranty program which are available to assist severely disabled veterans in adapting housing to meet their special needs.

The most commonly used of these grants is the Specially Adapted Housing grant. This grant is typically used to create a wheelchair accessible home and is currently limited to $50,000.

Next there is a Special Home Adaptations grant which is generally used to assist veterans with mobility throughout their homes. This grant is currently limited to $10,000.

The third grant is the Temporary Residence grant which is available to eligible veterans temporarily residing in a home owned by a family member. Under this program, veterans eligible for a Specially Adapted Housing grant would be permitted to use up to $14,000 and veterans eligible for the Special Housing Adaptations grant would be permitted to use up to $2,000 of the maximum grant amounts.

As a result of Public Law 109–233, eligible veterans or servicemembers may receive up to three Specially Adapted Housing grants. Prior to enactment of this law, veterans were limited to using the grants one time.

In order to ensure that all living prior grant recipients were aware of this new opportunity, VA mailed out approximately 16,000 letters to these veterans in December of 2006 informing them of the change to the law. The response has been dramatic. VA field offices have received over 4,200 requests for subsequent use grants as of May 2007.

To put this into perspective, over the past ten years, VA averaged receiving about 1,000 grant applications per year. This clearly is a substantial increase in volume and VA is prepared to devote the necessary staffing resources to ensure that these veterans receive timely grant processing.

I would like to briefly talk about eligibility for housing grants. First, the Specially Adapted Housing grant is available to veterans who have a service-connected disability entitling them to compensation for permanent and total disability due to the loss or loss of use of both lower extremities or blindness in both eyes, having only light perception, plus the loss or loss of use of one lower extremity, or the loss or loss of use of one lower extremity together with residuals of organic disease or injury, or, finally, the loss or loss of use of both arms at or above the elbow.

The Special Home Adaptations grant is available to veterans who have a service-connected disability entitling them to compensation for permanent and total disability due to blindness in both eyes with 5/200 visual acuity or less or the anatomical loss or loss of use of both hands or extremities below the elbow.

Madam Chairwoman, you asked for our views regarding the sufficiency of grant amounts. The last grant increase provided by Congress was in 2003, at which time the Specially Adapted Housing grant was increased from $48,000 to $50,000.

Since 2003, 98 percent of grant recipients used the entire amount available. Of those who did not use the entire amount, the average use was over $49,000. As these numbers show, most grant recipients are utilizing the full amount permitted under the current statutory limitations.

In 2003, VA conducted a survey of grant recipients. The purpose of this survey was to help determine whether and how well we were meeting the needs of these veterans. Ninety-two percent of grant recipients indicated that they were satisfied or very satisfied with the overall grant program.

We are currently conducting another customer satisfaction survey to determine how we have improved in our grant delivery methods and timeliness. We hope to have the results from the survey by the end of this fiscal year. We intend to use the feedback to further improve the grant process.

Madam Chairwoman, this concludes my testimony. I greatly appreciate the opportunity to be here today and look forward to answering your questions or those of the members of the Subcommittee.

[The prepared statement of Mr. Pedigo appears on p. 43.]

Ms. HERSETH SANDLIN. Thank you very much. You did say that the survey, that you expect to get the results of the survey later this year? Is that what you testified to?

Mr. PEDIGO. Yes. We are expecting to have those results by the end of this fiscal year, so by September 30th of this year.

Ms. HERSETH SANDLIN. Can you elaborate for just a moment on the breadth of the survey? How many questions are in the survey and do they go beyond just the level of satisfaction and get in more depth?

Mr. PEDIGO. Yeah. I do not recall the exact number of questions, but it is a fairly lengthy survey. We are attempting to elicit feedback on all aspects of the grant process.

We are dividing the universe into two groups. One would be those who have used the grant within the last year. The other would be a group of veterans who have been determined eligible for the grant based on their disability, but have not actually applied for the grant.

The reason we are including that second group is that we do have a pretty large number of veterans who have eligibility, but have never used the grant. So we want to find out why so that we can perhaps adjust some aspect of our program to accommodate them.

Ms. HERSETH SANDLIN. What type of outreach does the VA do to inform potential applicants and their families that the grants exist?

Mr. PEDIGO. There are briefings for servicemembers. When they get out of the military service, there is a transition assistance briefing and then there is a special briefing for those who are disabled, called the disabled transition assistance briefing. That is frequently where veterans first learn that the Specially Adapted Housing grant is available.

In addition to that, we have VA staff stationed at Walter Reed and Bethesda and they meet with all the incoming patients. That is their opportunity to discuss the various benefits available to that veteran, including the Specially Adapted Housing grant.

When a veteran applies for disability compensation, the process requires our Compensation and Pension Service staff at VA to automatically address whether or not they qualify for the grant even though they may not have applied for the grant.

If, in the process of determining the level of disability, it is determined that that veteran is eligible for the grant, then the Loan Guaranty Division, which administers the grant program, is notified and we then make contact with that veteran to begin the grant process.

Ms. HERSETH SANDLIN. Okay. So there are a few layers in which they would learn of the availability of the grant. I am interested in the fact that you determine eligibility.

The loan service agency is notified and then when you say you make contact, is that by letter? Is that by phone call? How is that contact made and do you have assurance out of each of your offices that those contacts are not only attempted to be made, but that the contact is ultimately made?

Mr. PEDIGO. Yes. We follow up very closely on that. And there is a very specific requirement that within 30 days of receiving notification from the Veteran Service Center, which processes the disability claims, that we must call the veteran or make contact in some other way and set up a personal interview.

Our approach is to go to the veteran's house in every case where it is feasible and sit down and have an in-depth discussion with the

veteran about the benefits and requirements attendant to the Specially Adapted Housing program.

At that interview, if the veteran indicates that he or she desires to go forward with the grant, then we begin the process of formally processing that veteran's request.

If the veteran indicates that he or she is not ready to use the grant, then we tell the veteran that we will be following up with them periodically. And we do have a requirement, for those who have chosen not to use the grant after the interview, we must contact them periodically and ask them if they are now ready to use the grant.

Ms. HERSETH SANDLIN. Mr. Boozman?

Mr. BOOZMAN. Thank you.

You mentioned that the last survey was in 2003. Can you give us an idea of the numbers, the increase, now that we are in Iraq and Afghanistan, compared from 2003 to 2007. Can you give us an idea number-wise what are the demands on your service?

Mr. PEDIGO. Are you asking about whether there has been an increase in the number of grants?

Mr. BOOZMAN. Well, I would think that there has been an increase in the number of people wanting grants just based on the fact that we have a lot of injured service people coming back now.

I guess what I am trying to do is figure out what kind of impact that has had on your ability working hard to get these things done. Has the lag time increased a lot in the last three or four years compared to how it was or do you have the resources that you need to get these things done in a timely way?

Mr. PEDIGO. In the last four to five years, we have seen an increase in the number of applications for grants. And up until fiscal year 2005, we were seeing an increase in the actual number of grants made. In fiscal year 2006, that fell off a little bit. It fell from about 530 down to the high 400s. So there was a slight decrease and we are not sure why that took place.

However, with the addition of the Public Law 109–233 authority to provide multiple grants to recipients, we now definitely have a dramatic increase in workload. We have received more than 4,200 requests for subsequent use of the grant since we sent that letter out in December of 2006.

We have an assurance from our operations staff that the necessary resources to handle that additional work will be available. And so, at the present time, we do not have any serious concerns about being able to handle the additional workload in a timely manner.

Mr. BOOZMAN. As these things come through, is there any priority to them? For instance, does a new person that is inquiring versus somebody that is already in the system, is there any prioritization to these at all?

Mr. PEDIGO. We are now giving some priority treatment to the seriously wounded from Operation Iraqi Freedom and Operation Enduring Freedom.

In the grant program, we are contacting them within 24 to 48 hours after receiving notice that they are eligible for the grant in order to get the process started. For veterans who were not in that conflict, we are still processing their grants in the same fashion.

Mr. BOOZMAN. Good. Thank you very much. I would add just a couple things.

As we heard testimony earlier, the fact that we have the vision, based on a very dramatic decrease in vision compared to the standard that is used. And then also not figuring in field loss and things like that can tremendously affect your—you can have 20/20 vision, but if the most that you can see is a patch three inches wide, then you are blind probably more so than somebody that had 20/200 vision. So, again, I hope we can work with you again on trying to get some of those things cleaned up.

The other thing I would like to do is congratulate Ms. Herseth Sandlin for really championing this cause. This is something that is very important. And like so many other things, we are just finding that there is some little things that, again, in trying to be helpful to the agency, we need to tweak and get this thing even more effective than it is now.

Thank you.

Mr. PEDIGO. Yes, sir. And thank you for your support.

Ms. HERSETH SANDLIN. I want to thank Mr. Boozman for his comments. I know he may have to leave to catch a flight, but he may have some more questions so we will keep the record open.

I did want to pursue a couple of points. Is it true that Congress made a change in 2003 as it related to active-duty servicemembers being eligible to access the grants; is that not correct?

Mr. PEDIGO. That is correct.

Ms. HERSETH SANDLIN. Can you assure the Subcommittee that any glitches have been worked through there because we have had a recent example that I am aware of and it leads me to think that there may be other examples? But, again, the pool of these individuals is relatively small.

Given the increase in the workload that you described, I just want to make sure that any materials that are shared among the counselors and the different offices around the country that everyone is clear now that Congress made this change and that they are eligible because we had a little bit of a glitch for a family that I represent that initially, when they went to apply, were told you need the VA disability rating before we can do this.

They explained that her husband, her son was still on active duty and that this congressional change had been made and there was some miscommunication, misunderstanding, or at least a need for clarification in the St. Paul office that I am aware of. I just hope that all of the offices now are very clear that active-duty servicemembers are eligible to apply for the grants and do not need the VA disability rating to do so.

Mr. PEDIGO. Well, as I understand, they must be rated eligible for the benefit. In other words, they must meet the statutory criteria for either the $50,000 grant or the $10,000 grant. And that decision has to be made before we can proceed with the processing of the grant.

So even though it is a servicemember, that individual still has to meet the basic eligibility qualifications.

Ms. HERSETH SANDLIN. Does the basic eligibility qualification include a disability rating from the VA because they cannot get that until they are discharged?

Mr. PEDIGO. Well, I understand that there are processes in place where they can actually get a quick rating, a memorandum rating.

I am not familiar with this case. I would be very happy to look into it. In fact, I would like to look into it because it troubles me that somebody who might have been eligible was initially told they were not. Maybe we do need to communicate this three-year-old requirement better, to those who do the eligibility ratings in the Veterans Benefits Administration (VBA).

Ms. HERSETH SANDLIN. I would appreciate the opportunity to share some of the details of this case with you. They have ultimately gotten approved, but it was an arduous process. This family has already been through an awful lot with the Department of Defense, with the VA, and it is a traumatic brain injured soldier.

We will follow up and we will talk with you more about the step-by-step process that they underwent so that there is either a need for clarification on your end or the information that has been given to the families where we need to clarify some things, so that everyone understands what the eligibility requirements are and that everyone is fully updated on the changes that were made to the law.

In terms of the traumatic brain injured soldiers and Mr. Zampieri's testimony, could you respond, and Mr. Boozman touched on it as well, but the $50,000 grant versus the $10,000 grant. I think Mr. Gonsalves indicated as well that they worked with someone from PVA, the Paralyzed Veterans of America, to go back to the counselor and there is a different interpretation?

In terms of continuity of interpretation, if someone is initially denied or told, no, you are only eligible for the $10,000 grant, and he was describing the individual who is an amputee of both arms, one above the elbow, one below. What kind of guidance have you issued since Operation Iraqi Freedom and Operation Enduring Freedom about the types of injuries that we are seeing that might help clarify to the counselors to ensure a more consistent interpretation of the eligibility requirements?

Mr. PEDIGO. I think it might be useful if I could briefly explain how we are set up at VA, and I hope this does not sound too much like an explanation of a stovepipe operation.

But the Loan Guaranty program, of which I am Director, is responsible for processing the Specially Adapted Housing grant. We get involved once the eligibility determination is made by the Veteran Service Center, which is a separate element of the Veterans Benefits Administration.

This is the part of the Veterans Benefits Administration that looks at all disability requests from veterans and then rates the disabilities and makes the eligibility determination as to the level of disability. If it rises to the level where, based on the statutory criteria, they believe that this veteran is eligible for the Specially Adapted Housing grant, they indicate that in their rating decision and hand that rating decision to our Loan Guaranty Division where the Specially Adapted Housing grant process then begins.

In listening to the explanation of the veteran who had lost both arms, one below the elbow and one above the elbow, it does not surprise me because, when you get into rating disabilities, sometimes there is a very fine line between what would meet the statutory requirement for a grant and what would not.

We have a lot of areas in the Disability Compensation program where judgment decisions have to be made. There are approximately 9,000 employees who are involved in making these decisions and it is sometimes very difficult to achieve a very high level of consistency even though that is our goal.

We spent a lot of time training these employees to make sure that they view things the same way, but sometimes due to the nature of the injury or perhaps due to the ability of the employee, we do not always achieve that. And I think that may have been the problem in the case that was discussed earlier.

But, yes, we have a very active training program to make sure that all of our staff are familiar with the requirements and that they apply those in a consistent manner.

Ms. HERSETH SANDLIN. Let me ask a few questions with regard to the fact that we have multiple grants now. The total aggregate dollar value that a veteran can receive is how much?

Mr. PEDIGO. Well, currently, it is $50,000 for the Specially Adapted Housing grant and $10,000 for the Special Home Adaptations. And that was in the law that was passed in 2003 when it went from $48,000 to $50,000.

Ms. HERSETH SANDLIN. Right. But if they can use up to three grants, I am looking for the total aggregate amount.

Mr. PEDIGO. The aggregate is $50,000 for the large grant. So let us take an example of a veteran who used it—let us take somebody in 1948 because we do have some veterans who used it in 1948 who are still living.

The maximum then was $10,000, so they could have used $10,000 in 1948, which means they would be able to come back and use the difference between $10,000 and $50,000 or $40,000. And, the same would apply with the $10,000 grant. They would have the difference between what they previously used and what the current statutory maximum is.

Ms. HERSETH SANDLIN. Okay. Can you remind me because I know in your statement, you had mentioned that 98 percent of grant recipients use the full amount available, the $50,000? How many of those are using three different grants versus how many are using it all up in the initial grant?

Mr. PEDIGO. I think I can safely say that all of the veterans who were in that universe that I mentioned only used it one time because the multiple use did not go into effect until last June. All of those veterans that I mentioned in the 98 percent group only used it one time.

Ms. HERSETH SANDLIN. You acknowledge that there has been an increase in your workload, but can you describe for me again how we are going to assure that you are going to get the resources necessary to meet the demands of the increased workload and the commensurate training that is going to be associated with that?

Mr. PEDIGO. Yes. I have already had several discussions with the Associate Deputy Under Secretary for Field Operations who controls staffing in our field offices. I have indicated to him that we do have a dramatically increasing workload. He acknowledged that and assured me that whatever staffing we needed to handle this increased workload would be made available.

With respect to the training, last summer we had a one-week training session in St. Louis for approximately 70 Specially Adapted Housing agents. This was a nuts and bolts training session where we went over all the requirements for the program, the goal being to make sure that everybody understands those requirements in the same way.

We have periodic conference calls with our field offices. In fact, each quarter, we have a conference call where on occasion Specially Adapted Housing issues are discussed.

Within the next month, we will be putting out a complete revision to our Specially Adapted Housing Handbook and this will provide updated guidance presented in a reader-focused-writing format so that there will be no question as to what that policy is.

Ms. HERSETH SANDLIN. Okay. And then just a final question or two on the timetable here. I know Mr. Catalde in the first panel, you may have heard him ask us to try to get data that looked at the time of the application for the Specially Adapted Housing grant to when construction on the project actually began.

I do not know if you track that data. If you do, that would be helpful to see that. But what is the normal wait time for the processing of each grant?

Mr. PEDIGO. Well, it is divided into pieces. You have the eligibility determination which I talked about earlier. And that process can take anywhere from a few weeks to six to eight months because of the complexities involved in getting all the medical information necessary, getting the medical examination for the veteran, and then making the decision.

Then, when it is handed off to the Loan Guaranty program for the processing of the grant, we have a period of time where we have to meet with the veteran, arrange for the veteran to provide the plans and specifications for the home that he or she wants to build or remodel.

Once we receive those plans and specifications, we have to have them approved. That segment of the process could take anywhere from two to four months.

And so then the final phase would be from the point where we approve the project to the point where we actually disburse the money and the project is completed. And that phase on average takes about eight months.

Ms. HERSETH SANDLIN. From approval to disbursement to completion?

Mr. PEDIGO. Yes.

Ms. HERSETH SANDLIN. Another eight months?

Mr. PEDIGO. Yes. But let me further explain that. This is not all VA time. In fact, most of this is non-VA time. It involves a contractor sometimes building a home from the ground up. In other cases, the substantial remodeling of an existing home. So for anyone who has ever built a home or even remodeled a home, they know that that process can be very, very lengthy and it is not always a smooth process.

I know it sounds like an exceptionally long period of time to accomplish the completion of the grant, but when you look at all the complexities that are built into the process just by the nature of

what is being done, I believe that you can see that for the most part the time is not excessive.

Ms. HERSETH SANDLIN. Does the survey that you have recently sent out include any questions with regard to the level of satisfaction as it relates to the timeliness of the process itself?

Mr. PEDIGO. Yes.

Ms. HERSETH SANDLIN. Okay. If you will share those with the Subcommittee as soon as you receive those in September, we would appreciate it.

Mr. PEDIGO. We certainly will.

[Executive summaries of the survey appear on p. 57.]

Ms. HERSETH SANDLIN. Finally, on the Temporary Residence Adaptation grant, as you know, that is expected to terminate June 15, 2011. Do you have any thoughts that you might be willing to share at this point whether or not you think that it should be extended beyond 2011 given your experience and the utility of that grant for the veterans who have applied?

Mr. PEDIGO. Well, first, let me address the utility. We have had probably fewer than five of these grants since implementation. So we do not have a lot of experience to go on.

I think the concept of a Temporary Residence grant is good and I think that it is good regardless of whether we are in a period of war. So at this point, I would say that it should probably be extended beyond 2011.

The way it is presently configured, there would be no cost factor because they are simply going on the entitlement that they would have, either $50,000 or $10,000. So I do not think there would be any PAYGO issues if it were to be extended beyond 2011.

Ms. HERSETH SANDLIN. Thank you very much. There may be another question or two that I would be submitting to you as well as other members of the Subcommittee as we keep the record open. I appreciate again your patience accommodating the schedule and the information you have provided.

I will, with my office and Subcommittee staff, be directly following up with you with regard to the particular case that I referenced earlier just to see if, even though it is somewhat unique because it is an active-duty servicemember, it may be helpful as we have others who are returning that may have suffered these traumatic brain injuries that are similarly in this limbo between their discharge from active duty and just work through any glitches that might still remain.

I appreciate your willingness to work with me on that.

Mr. PEDIGO. Thank you.

Ms. HERSETH SANDLIN. Okay. Thank you and everyone for their statements this afternoon. We value the interest that people have in the topic, the expertise that they bring to bear, and we will look forward to following up on the testimony that was presented today.

So with that, the hearing stands adjourned.

[Whereupon, at 5:45 p.m., the Subcommittee was adjourned.]

APPENDIX

Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity

With the increasing number of disabled veterans returning home from Iraq and Afghanistan, the need for specially adaptive housing has become more important. Every year we have more veterans returning home with severe injuries, making it difficult for them to make an easy physical transition back home. Our intent in this hearing is to examine the VA's Specially Adaptive Housing program, explore the problems that our Nation's veterans face and see what can be done to alleviate these problems.

As some of you may know, I have introduced legislation that will hopefully address some of the needs of our returning brave men and women of the armed forces. I believe that this legislation will be a critical component in assisting these disabled veterans and servicemembers, and expand the resources available to give them a level of independent living they may not normally enjoy.

- *H.R. 1315* would provide specially adaptive housing assistance to disabled servicemembers residing temporarily in housing owned by a family member. This assistance, allowable up to $14,000, may be used to adapt the family member's home to meet the veteran's special needs at that time.
- *H.R. 675, the Disabled Veterans Adaptive Housing Act* would increase the amount of assistance available to disabled veterans for specially adaptive housing grants. Increase the maximum amount from the current $50,000 to $60,000.

In my home State of South Dakota, I have had interactions with wounded and disabled veterans seeking ways to ease the physical transition from hospitals with disabled access to their current residences. One of my constituents, who was injured during military operations in Iraq and remains on active duty, has faced difficulty securing adaptive housing grants because he is not yet incorporated into the VA system. In addition to difficulties he has faced because of his active duty status, he, as well as many other injured servicemembers not yet enrolled in the VA, could potentially benefit from changes I have proposed in H.R. 1315.

I look forward to working with Ranking Member Boozman and Members of this Subcommittee to ensure that our most critically wounded servicemembers are provided both proper healthcare to help them recover from their injures, but also adequate benefits to modify their homes to achieve independence and comfort when they return home.

Prepared Statement of Hon. John Boozman, Ranking Republican Member, Subcommittee on Economic Opportunity

Good afternoon. The Specially Adapted Housing grant program is relatively small and not as well-known as programs such as the GI Bill. But it is vitally important to those who qualify for the program, whether as a result of combat or the effects of diseases such as diabetes. That is why I want to thank the Chairwoman for holding this hearing.

I also thank our witnesses in advance for their testimonies on this important program. I note that the Chairwoman has a bill, H.R. 675 to increase the maximum grant amounts, and would like to ask her to add me to the list of cosponsors.

Legislation affecting veterans' programs, including those designed to help our seriously disabled veterans, must comply with the budget rules on mandatory funding. I hope Mr. Pedigo can give us an estimate of the PAYGO costs for that bill in case we can identify some offsets down the line and I will work with the Chairwoman to find whatever offsets are needed to pass her bill.

Again, thanks to all and I look forward to hearing from today's witnesses.

Prepared Statement of Carl Blake,
National Legislative Director, Paralyzed Veterans of America

Chairwoman Herseth Sandlin, Ranking Member Boozman, members of the Subcommittee, on behalf of Paralyzed Veterans of America (PVA), I would like to thank you for holding this hearing on an issue of such great importance to PVA and its membership. Since its founding in 1946, PVA has advocated for the idea that a disabled veteran should have the same access to and use of his or her home as a non-disabled veteran.

In 1946, a group of veterans that would eventually become the New York Chapter of PVA requested help from the American Institute of Architects (AIA) to design housing for paralyzed veterans. Six volunteer architects completed preliminary blueprints calling for special bathrooms, bedrooms, work, and exercise rooms and provided construction details for doorways, corridors, windows, closets, and garages. Requests for these new accessible home plans came from all over the country.

The following year, PVA lobbied Congress for new legislation that would provide a federal grant to make homes accessible. We argued that paralyzed veterans were forced to remain in hospitals because their former homes could not accommodate wheelchairs. In 1948, the U.S. Congress passed Public Law 702 (P.L. 702). Under this law, the Veterans Administration—now the Department of Veterans Affairs (VA)—approved $47 million for the construction of wheelchair-accessible homes.

Through the years, the grant has been adjusted in an attempt to keep pace with the rising cost of home construction. However, it has been done in a seemingly random fashion, with no set timetable for periodic adjustments. As a result, it has lagged behind the cost of construction. Because adjustments to the grant are dependent on legislation from Congress to make the change, construction costs and inflation have rapidly outpaced this process.

Public Law 108–183, passed in 2003, provided the last adjustment to the Specially Adapted Housing grant for eligible severely disabled veterans. At that time it was increased to $50,000 from $48,000. Meanwhile, construction material costs for single-family homes have significantly increased during that time. According to the National Home Builders Association, from 2002 to 2005, the average construction cost increased from approximately $76 per square foot to more than $90 per square foot.

Most, in fact nearly all, Specially Adapted Housing grants are used for building new homes because it is difficult to find an existing home that can be made totally accessible, and be done at a reasonable cost. It is a simple fact that there are significant cost savings by building accessibility into a new home rather than modifying an existing home. It is estimated that new construction is 10 to 15 percent less expensive than renovating an existing structure for the same features. When designing a new home, there is little or no cost difference between adding 36 inch doors for accessibility as opposed to the standard 30 inch doors. However, if a veteran chooses to remodel an existing home with standard doors and add 36 inch doors, it costs a great deal of money because new framing and structural changes must be made.

A large bathroom and kitchen for maneuverability is just the beginning for accessibility. In order to meet the VA requirements for the Specially Adapted Housing grant, the home must have two accessible entryways with sidewalks that are flat. The interior doors must be a minimum of 36 inches wide and hallways must be a minimum of 48 inches wide. Also, along with obvious usable accessibility features, the bathroom walls must be reinforced for grab bars. All of this information is contained within the VA's design guideline—VA Pamphlet 26–13. Although it was published in 1978, those guidelines remain relevant, even today. In fact, the VA's guidelines tend to be more stringent than the Federal Fair Housing accessibility guidelines.

Based on information from our architectural department, PVA recommends that the grant be increased by 20 percent to $60,000. Our architectural staff estimates that building a fully accessible bathroom alone for the needs of a high-level spinal cord injured veteran could cost anywhere from $30,000 to $50,000. Making all other normal living areas in the home—kitchen, bedroom, living room—more accessible would add significantly more cost.

PVA members are the highest users of this very important grant. This grant allows veterans with severe service-connected disabilities to realize the dream of owning their own home when they otherwise may not have had the opportunity. PVA also believes an equivalent increase in the grant for veterans with service-connected blindness should be made from $10,000 to $12,000.

In accordance with the recommendations of *The Independent Budget*, we also urge this Subcommittee to consider legislation that would require the VA Secretary to establish a residential home cost-of-construction index to be used to automatically

adjust the amount of these grants each year. As the housing market has continued to boom, these grants have not kept pace. Without an annual adjustment to the grants, inflation will continue to erode their purchasing power.

In recent years, a number of improvements have been made to the Specially Adapted Housing grant to allow for easier access to the benefit by both eligible service-connected disabled veterans and active duty servicemembers who will become eligible. PVA is particularly pleased that access to the grant was improved so that an active duty servicemember awaiting discharge from the military can obtain the grant, at the determination of the Secretary, so that he or she can begin planning the purchase of a new, accessible home even before he or she leaves the hospital.

P.L. 109–233, the "Veterans' Housing Opportunity and Benefits Improvement Act of 2006" allowed disabled veterans who are residing with a family member to receive a grant up to $14,000 to modify the family member's home for accessibility needs. PVA believes that this option should be extended to severely disabled servicemembers who are still on active duty awaiting discharge from the military. A similar provision already exists for the full SAH grant, as mentioned previously.

I have personally experienced the difficulty created by this particular situation. After incurring a spinal cord injury while on active duty, I conducted rehabilitation at the VA medical center in Richmond. My wife and I were not immediately able to find a place to live due to our changed financial situation, so we lived with my parents for a couple of months. So that I could gain access to their house while using a wheelchair, we paid to have a ramp installed and have a bathroom modified for my needs. This proved to be a substantial cost, particularly with regards to making improvements to the existing bathroom. Many young men and women could benefit from this adaptive housing assistance.

PVA would like this Subcommittee to consider legislation similar to S. 1096, the "Veterans' Housing Benefits Enhancement Act." This bill would allow for specially adapted housing assistance for disabled veterans with severe burns. Severe burns are one of the signature wounds of the Iraq war. Living with this condition after being discharged from a hospital could require a precise temperature control system in a home, along with an air filtration system. A water purification system may also be required. All of these modifications take time and are very costly. This bill will give the servicemember financial assistance to allow them to make these critically needed modifications.

PVA would also like to make an additional recommendation, in accordance with the policy contained in *The Independent Budget* for FY 2008. Like the needs of other families today, veterans' housing needs tend to change with time and new circumstances. An initial home may become too small when the family grows or become too large when children leave home. Changes in the nature of a veteran's disability may necessitate a home configured differently and changes in the special adaptations. These things merit a second grant to cover the costs of adaptations to a new home. We hope that the Subcommittee will consider this additional benefit as it seeks changes or improvements to the Specially Adapted Housing grant.

Chairwoman Herseth Sandlin and Ranking Member Boozman, PVA would once again like to thank you for the focus you have placed on this issue. Ms. Herseth Sandlin, we particularly appreciate your strong advocacy to make these needed changes to the Specially Adapted Housing grant, and we hope that your Subcommittee will expeditiously consider your legislation, H.R. 675, as its provisions would further improve this benefit that is critically important to the most severely disabled veterans.

Thank you again. I would be happy to answer any questions that you might have.

Prepared Statement of Brian E. Lawrence,
Assistant National Legislative Director, Disabled American Veterans

Madame Chair and Members of the Subcommittee:

On behalf of the 1.3 million members of the Disabled American Veterans (DAV), I appreciate the opportunity to present our views on the Specially Adapted Housing program.

Section 2101(a) of title 38, United States Code, authorizes the Department of Veterans Affairs (VA) to provide assistance in the form of a Specially Adapted Housing grant to veterans who have incurred service-connected disabilities consisting of loss or loss of use of both lower extremities, total blindness together with loss or loss of use of one lower extremity, or loss or loss of use of one lower extremity together with either the loss or loss of use of an upper extremity or other organic disease that requires use of a wheelchair or the use of braces, crutches, or canes. The pur-

pose of this grant is to enable severely disabled veterans to construct, purchase, or remodel homes with structural features to accommodate special needs. Section 2102 of title 38, United States Code, limits the amounts VA may provide to such veterans. Currently, VA may approve a grant of not more than 50 percent of the cost of building, buying or remodeling adapting homes or paying indebtedness on those homes already acquired, up to a maximum of $50,000. VA may approve a grant for the actual cost, up to a maximum of $10,000, for adaptations to a veteran's residence that are determined by VA to be reasonably necessary. The grant also may be used to help veterans acquire a residence that already has adaptations for the veteran's disability.

The grant was last increased by Public Law 108–183, enacted December 16, 2003. Because the cost of construction has risen over the past four and one-half years, the current $50,000 maximum amount is insufficient to allow severely disabled veterans to make all necessary adaptations and modifications. During the most recent DAV National Convention, our members voted to again adopt a longstanding resolution calling for legislation which would provide a realistic increase in the Specially Adapted Housing grants, and would provide for automatic annual adjustments based on increases in the cost of living. Our resolution coincides with the recommendations of *The Independent Budget* (IB), which is a budget and policy document that sets forth the collective views of the DAV, AMVETS, the Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States.

Madame Chair, the DAV fully supports the legislation you introduced, H.R. 675 the Disabled Veterans Adaptive Housing Improvement Act, which would increase the $50,000 grant to $60,000, and increase the $10,000 grant to $12,000. Additionally, the bill would provide for automatic annual adjustments based on the national average increase in the cost of residential home construction. We urge that the proposals contained in H.R. 675 be favorably acted upon by the Subcommittee.

Madame Chair and Members of the Subcommittee, the DAV appreciates the opportunity to present our views on these bills. We look forward to our continued work with the Subcommittee to serve our Nation's disabled veterans and their families.

Prepared Statement of Thomas Zampieri, Ph.D.,
Director of Government Relations, Blinded Veterans Association

INTRODUCTION

Madame Chairwoman and members of the House Veterans Affairs Subcommittee on Economic Opportunity, on behalf of the Blinded Veterans Association (BVA), thank you for this opportunity to present BVA's legislative concerns on the topic of Department of Veterans Affairs (VA) Specially Adaptive Housing programs. BVA is the only congressionally chartered Veterans Service Organization exclusively dedicated to serving the needs of our Nation's blinded veterans and their families. BVA has concerns over the lack of improvement, in recent years, of the Veteran Benefits Administration's ability to provide the adaptive housing programs necessary to meet the needs of disabled veterans seeking such resources. With the growing numbers of wounded in both Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) who are entering the VA healthcare and benefits system today, and with the issue of Traumatic Brain Injury (TBI) also of paramount concern to our members, BVA appreciates this hearing as a significant step as we work together to improve the system.

As of May 22 of this year, just two weeks ago, there were 25,549 traumatic combat injuries, of which 7,267 required air medical evacuation from Iraq. What has not been as widely reported is that another 6,991 personnel injured in nonhostile action have also been evacuated from OIF and OEF operations. Such numbers reflect the probability that an ever increasing number of future veterans will depend on adaptive housing grants in order to live independently in their own homes. More than 1,880 of the total TBI-injured have sustained moderate enough injuries that they are experiencing neurosensory complications. Epidemiological TBI studies find that about 30 percent have associated visual disorders of diplopia, convergence disorder, photophobia, ocular-motor dysfunction, and an inability to interpret print. Some TBIs result in legal blindness and other manifestations known as **Post-Trauma Vision Syndrome (PTVS)**. Like other generations of disabled veterans who have desired to continue living in their own homes, the current generation of OIF and OEF veterans deserves the same opportunity. It is therefore important that economic adjustments be made to the current system to keep pace with inflationary costs of construction labor and materials. If disabled veterans are not able to make

adaptive changes to their homes, they run the risk of falls and injuries that result in expensive emergency room visits and costly hospital admissions.

BVA would like to stress again to this Committee that data compiled between March 2003 and April 2005 found that **16 percent of all causalities evacuated from Iraq were due directly to eye injuries**. Walter Reed Army Medical Center has surgically treated approximately 700 soldiers with moderate to severe visual injuries while the National Naval Medical Center has a list of 450 individuals with eye injuries requiring surgery. VA reports that 46 such servicemembers have attended one of the ten VA Blind Rehabilitation Centers (BRCs), 89 are enrolled in local VA Blind Visual Impairment Service Teams (VISTs), and others are in the process of being referred. It should be very obvious to members of this Committee that a new generation of blinded or visually impaired low vision veterans will require lifetime specialized programs to meet their needs. Such rehabilitation programs must be very individualized for such veterans and their family members, as has been the case for an older generation of veterans who have recently suffered from age-related degenerative blindness.

CURRENT SPECIALLY ADAPTED HOUSING SERVICES

Home Improvements and Structural Alterations (HISA). VA currently has Specially Adapted Housing grant programs to assist disabled veterans in the construction of an adapted home or the modification of an existing home. The program goal is for veterans to live independently in a safe environment. For those with service-connected blindness, the current grant amount is $4,100. For the nonservice-connected blinded veterans, the amount is $1,200. These amounts have not changed in more than a decade. Such grants can be used for any home improvement that is necessary for the continuation of treatment or rehabilitation. It can also be utilized for disability access to the home and essential lavatory/sanitary facilities. A HISA grant is available to veterans who have received a VA medical determination that improvements and structural alternations are necessary or appropriate for successful, cost-effective treatment of their disability. For example, legally blinded veterans frequently require additional lighting for maximum utilization of their remaining vision.

Specially Adapted Housing (SAH). The SAH grant, currently limited to $50,000 annually, is used to assist veterans with mobility throughout their homes. It can be used for minor construction projects. Eligible are service-connected veterans with a permanent and total disability due to one of the following:

- The total loss, or loss of use, of both lower extremities as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.
- Blindness in both eyes (having only light perception), plus a loss or loss of use of one lower extremity.
- The total loss, or loss of use, of one lower extremity together with (1) residuals of organic disease or injury, or (2) the loss, or loss of use, of one upper extremity which so affects the functions of balance or propulsion as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.
- The loss, or loss of use, of both upper extremities such as to preclude use of arms at or above the elbow.

Special Home Adaptation Grant (SHA). BVA's experience has been that very few blinded veterans meet the above criteria to obtain the SAH grant. The Special Home Adaptation (SHA) grant, on the other hand, helps service-connected veterans with specific mobility problems within the home. The SHA grant is for $10,000. The disability must be permanent and total due to:

- Blindness in both eyes with a 5/200 visual acuity or less, or
- Anatomical loss or loss of both hands and extremities below the elbow.

RECOMMENDATIONS AND CONCLUSIONS

BVA supports the Independent Budget recommendations that Congress increase Specially Adapted Housing grants and provide for future automatic annual adjustments indexed to the rise in the cost of living. BVA supports H.R. 675, the "Disabled Veterans Adaptive Housing Improvement Act." The bill would increase an SAH grant from the current $50,000 to $60,000 and would change the SHA grant from $10,000 to $12,000. BVA requests that a HISA grant for service-connected veterans be increased from $4,100 to $5,400 and that the same grant for nonservice-connected be raised from $1,200 to $2,400.

Chairwoman Herseth Sandlin and Ranking Member Boozman, BVA expresses thanks to both of you for this opportunity to present our testimony for the record. We are concerned that injured veterans and their family members from OIF and OEF operations, as well as those from previous conflict eras, are not currently able

to access the updated adaptive housing services necessary to live in their own homes once they have successfully completed the appropriate rehabilitation programs. This lack of access will continue unless changes are soon made. The future strength of our Nation depends on the willingness of young men and women to serve in our military. This willingness depends, in turn and at least in part, on the willingness of our government to meet its full obligation to them as veterans. Waiting will only increase the problems and expenses associated with this growing policy problem.

Prepared Statement of Brian Catalde, President, National Association of Home Builders, and President and Chief Operating Officer, Paragon Communities, El Segundo, California

Introduction

Chairwoman Herseth Sandlin, Ranking Member Boozman, distinguished Members of the Subcommittee on Economic Opportunity, on behalf of the more than 235,000 members of the National Association of Home Builders (NAHB), thank you for this opportunity to testify today on the important subject of the U.S. Department of Veterans Affairs (VA) Specially Adaptive Housing program. My name is Brian Catalde. I am a homebuilder from El Segundo, California and NAHB's 2007 President.

I want to thank you for holding this hearing to bring focus to the VA's Specially Adaptive Housing program and to explore ways this program can be expanded or improved to better serve the thousands of severely injured veterans whose homes must be modified in ways that will allow them to live independently.

Background

The VA's Specially Adaptive Housing (SAH) program provides vital assistance for construction or remodeling of an accessible home for those veterans who live with serious service-connected disabilities.

Since the beginning of the SAH program in 1948, over 34,000 veterans have used their eligibility resulting in distribution of grant funds totaling over $650 million to either build new homes or adapt existing homes. The program has taken on additional significance recently as a way to help veterans who have suffered serious injuries as a result of service in Iraq and Afghanistan, however, the SAH grants are available to serve all veterans who qualify.

Grants are provided to veterans who require the use of prostheses, braces, crutches or a wheelchair to ambulate. Generally, if a veteran is determined to be 100 percent permanently disabled through his or her service and requires a wheelchair, VA can provide SAH grant assistance to make a home wheelchair-accessible. The amount of the grant may be up to 50 percent of the total cost of adapting housing to accommodate that disability, with a current maximum of $50,000. If the veteran is purchasing an adapted home, a VA-guaranteed loan can be used to fund the remaining cost of the home.

Once VA determines that a veteran is eligible for a grant based on the nature and extent of the disability, VA field staff work closely with the veteran and the contractor to resolve impediments of existing features and architecture and to redesign the home for wheelchair accessibility. In many cases, the veteran desires to design and construct a new home or build a substantial addition to an existing home to accommodate his or her special needs.

In addition, a second grant program provides adaptations of up to $10,000 for veterans who are blind in both eyes or have suffered the loss, or loss of use, of both hands. This grant can pay for improvements that would help resolve issues of home mobility.

The flexibilities added by the Veterans Housing Opportunity and Benefits Act of 2006, which was enacted as Public Law 109–233 on June 15, 2006, went a long way to help the SAH program provide much-needed funds for veterans who otherwise would likely not be able to live independently. I thank you, Chairwoman Herseth Sandlin and Ranking Member Boozman for championing the expansion of the Specially Adaptive Housing program in the House of Representatives.

Among other things, Public Law 109–233 authorizes a portion of the SAH grants to be used to make changes to the home of a family member where a veteran temporarily resides. The law also increases the SAH program's flexibility by authorizing the VA to make up to three grants, the total of which may not exceed the overall grant ceiling.

From our conversations with VA staff, we understand that these changes have successfully reopened the SAH program for use by veterans who used the program

during a time when only one grant disbursement could be made and the amount of that grant was limited by previous versions of the authorizing statutes. I am sure this benefit is much appreciated by older veterans who need to make additional changes to their homes.

NAHB Remodeler Members Can Help Meet the Need

The leadership and staff of NAHB Remodelers, a council within NAHB representing more than 14,000 members, has been spreading the word about the ways the Specially Adaptive Housing program can be used to help meet the needs of severely disabled veterans to improve their living conditions and to help them live independently. In fact, many NAHB Remodeler members have already applied their skills to put the SAH grants to good use.

One of NAHB Remodelers' designation programs, the Certified Aging In Place Specialist (CAPS), was created to equip remodelers with the specialized knowledge needed to meet the requirements of aging homeowners who want to remain in their homes as long as possible and those with accessibility needs. The CAPS designation demonstrates these remodelers' commitment to excellence and sets them apart from others in the vast home renovation industry. The skills gained through CAPS training are much the same as those which can help remodelers meet the accessibility needs of SAH grant recipients.

NAHB is working with VA's leadership to encourage each of the VA's Specially Adapted Housing counselors throughout the Nation to take the CAPS certification training. If they avail themselves of this training, I believe that each counselor will have a greater appreciation of ways to use SAH grants to most effectively meet veterans' needs.

Some Additional Changes Are Needed

The Veterans Housing Opportunity and Benefits Act of 2006 did much to improve the Specially Adaptive Housing program, however, some additional changes should be made to improve the program's effectiveness.

Increase the Grant Limits

The grant ceilings of $50,000 and $10,000 for section 2101(a) and section 2101(b), respectively, provide needed assistance for funding the improvements that must be made to veterans' homes, but often are not sufficient to cover the full cost of remodeling. These ceilings would typically cover the cost of remodeling kitchens and/or bathrooms to make these spaces accessible, however, they fall short of funding the changes that must be made to other areas of veterans' homes to meet the VA's requirements, such as two points of entry and egress, an accessible electrical panel, and so forth. While the VA's accessibility requirements are quite reasonable, the grant ceiling is too low to meet the costs of other extensive changes that must be made to enable veterans to live independently in their homes. A further testament to the need for higher grant limits is the fact that 98 percent of those eligible use the full grant authority. I would also suggest that the grant ceilings be doubled from the present levels and that these higher limits be linked to a common measure of inflation, such as the Consumer Price Index, as a way of keeping this program's limits relevant as costs increase over time.

Authorize Full Use of Grants for Veterans Who Live with Relatives

Under the Veterans Housing Opportunity and Benefits Act of 2006, only one grant can be used for Temporary Residence Adaptation (TRA), which pays for changes to the residence of a family member with whom a veteran is temporarily residing. The TRA portion of these grants are limited to $14,000 and $2,000 for section 2101(a) and section 2101(b) disabilities, respectively, and this provision is scheduled to sunset after June 15, 2011. After the changes have been made to a relative's home, many veterans may find that they will not be able to live independently, which may mean that further changes would need to be made to the relative's home. To accommodate these veterans, the full use of grants should be authorized for veterans who need to live with relatives for an extended period. Furthermore, Congress should remove the sunset provision without debate.

Compile a Roster of Approved Contractors

It is in the best interest of the veteran and the VA that the highest quality, most appropriate and most cost effective work be performed on every job. The most professional, skilled remodelers are always in demand and often have the option of taking on additional work. Accordingly, I recommend that the VA consider the establishment of local or regional panels of approved remodeler/contractors based on these contractors' qualifications, track records of satisfactorily completing jobs similar to those to be undertaken, trade references, and industry credentials.

Review VA's Paperwork Requirements

There is no question that it is in the best interests of the veteran, the VA, and the American taxpayers that the grants are spent wisely and that the work that is performed meets the veterans' needs. In some ways, however, the VA's current processes are very paperwork intensive and may be out-of-step with industry business practices. I would not want some of the VA's requirements to discourage remodelers from working with veterans who are eligible for SAH grants. I look forward to facilitating meetings of the VA leadership with NAHB's Remodelers to work through the details of possible ways to streamline processes in the Specially Adaptive Housing program.

Conclusion

In closing, Madame Chairwoman, I want to reiterate NAHB's support for America's veterans and for VA's Specially Adaptive Housing program. I look forward to working with you, Ranking Member Boozman, the distinguished Members of the Subcommittee on Economic Opportunity, and leadership of the Department of Veterans Affairs to make an already vital program work even better. I would welcome any questions you may have.

Prepared Statement of John Gonsalves,
President and Founder, Homes for Our Troops

Chairwoman Sandlin and members of the Subcommittee on Economic Opportunity, I would like to thank you for the opportunity to speak with you today about the Specially Adapted Housing (SAH) grant provided by the Veterans Administration.

As the President and Founder of the nonprofit organization "Homes for Our Troops," my organization and I provide specially adapted homes to our most severely injured veterans returning from the War on Terror. To date, we have provided specially adapted homes for 18 servicemen and their families, and we are in the process of providing specially adapted homes to 20 more, with our waiting list growing daily.

The services we provide are done at no cost to the veterans we serve, and the majority of the services provided thus far have been in the form of a newly constructed, specially adapted homes.

Who We Serve

The veterans we serve are among the most severely injured in the War on Terror. Their injuries include amputations, paralysis, spinal cord injuries, traumatic brain injuries, blindness, and those with severe burns. Many have more than one of those injuries. More often than not, they are young, with young families who previously lived in military or rented housing that was not adapted to meet their current needs.

Once separated from the service, the service person and his/her family are often left with substandard housing options that put a tremendous burden on the veteran's recovery and his or her family. This burden can be too much for most families, and at this fragile time in their lives the veteran's recovery can deteriorate, and his or her family can break apart.

The events that lead to these situations are unacceptable, and the burden that is felt by these veterans and their families should be shared by the American people and our government.

The SAH grant provides a valuable service to our servicemen and women. However, the value of that service is diminishing in the face of economic changes. Also, with medical advances on the battlefield and technological advances in the housing industry, the "Specially Adapted" portion of the grant title needs to be revisited to ensure that the true potential of "Specially Adapted" is realized.

The Changes We Would Recommend

As discussed more fully below, we respectfully recommend the following changes to the SAH grant.

1. Increase the amount of the grant to reflect higher home prices.
2. Remove the 50% requirement.
3. Redefine "special" adaptations and allow flexibility based on specific injuries.
4. Allow cost incurred on behalf of the veteran to qualify for the SAH grant.

Diminishing Value of the SAH Grant

Perhaps the best way to describe the greatest impact to the SAH grant's ability to help our severely injured veterans is to summarize the diminishing value that

the grant contributes to the construction of a new home since the end of the Vietnam War.

Up until 30 years ago, the SAH grant was equal to 50% to almost 70% of the average new home sale price. A grant for 50% of the home cost, combined with the relatively low cost of homes in the 1970's, made a substantial difference in the ability of disabled servicemen and women to obtain a home suited to their disabilities.

However, since the late 1970's the SAH grant has simply not kept pace with the increasing price of homes. Page 3 provides historical information on the SAH grant and new home prices back to 1969, and shows that the grant as a percentage of new home prices has decreased from a high of *69% in 1974* to just *17% in 2006*.

The average new home price has increased about 6% per year over the last 30 years while the grant has increased only 2% per year. If the $50,000 SAH grant had grown at the same rate as home prices, the grant would now be $145,000, which would equal about 50% of the cost of a new home in 2006.

Inadequacy of the $50,000 Limit of the SAH Grant

The cost of building a new home averaged $302,000 in 2006. The homes needed by these veterans are more expensive than the average because they require adaptations and specialized construction that increases the cost as compared to a "basic" home.

Page 4 provides information on costs incurred by Homes for Our Troops to build new homes and to buy and adapt existing homes, along with the cost for an adaptation to a home already owned by the veteran.

We have averaged about $336,000 for the cost of building new homes that are fully specially adapted based on the veteran's injuries and disabilities. The cost for homes we have purchased and adapted have averaged somewhat less due to the fact that two of the three families happened to live in relatively low-cost areas of the country.

Limiting the grant to $50,000 means that, on average, these young men and women will need to borrow $280,000 to purchase a home that accommodates the handicaps caused by their severe injuries. Few, if any, can qualify for a loan that size, and so they end up living with family members, in apartments that are inappropriate for their condition, in transitional housing and, in the worst cases, on the street.

We find that to be unacceptable given the physical, emotional and financial suffering that the veteran and his or her family has already experienced.

Homes for Our Troops

Historical Comparison

Specially Adapted Housing vs. *Average New Home Sales Prices*

This table takes each year there was a change in the SAH grant and compares it to the average new home sales price for that year.

Year	SAH Grant	Average New Home Price	Grant as % of Home	Grant % Increase	Home Price % Increase
1969	12,000	25,000	48%	—	—
1972	18,000	28,000	64%	50%	12%
1974	25,000	36,000	69%	39%	29%
1978	30,000	63,000	48%	20%	75%
1981	33,000	82,000	40%	10%	30%
1984	35,000	98,000	36%	6%	20%
1988	38,000	140,000	27%	9%	43%
1998	43,000	180,000	24%	13%	29%
2001	48,000	207,000	23%	12%	15%
2003	50,000	240,000	21%	4%	16%
2006	50,000	302,000	17%	0%	26%

Note: Home Price data was derived from U.S. Census Bureau historical reports.

% Increase from 1969 to 2006:

SAH Grant	317%
Home Price	1108%

The SAH grant would need to be increased from $50,000 to $145,000 to maintain the same ratio of grant amount vs. home price that existed in 1969. It would need to increase to nearly $200,000 to meet the 1974 high of 69%.

Homes for Our Troops

Building Costs for Specially Adaptive Homes

Homes Built from the Ground Up (See Note 1)

	Connecticut	Louisiana	Massachusetts	Montana	Eastern Pennsylvania	Western Pennsylvania	Average
Labor & Materials—Purchased	71,000	272,000	83,000	94,000	13,000	161,000	116,000
Labor & Materials—Donated	165,000	62,000	168,000	154,000	227,000	48,000	137,000
Total Labor and Materials	236,000	334,000	251,000	248,000	240,000	209,000	253,000
Land (purchased by HFOT or vet)	100,000	50,000	200,000	36,000	62,000	50,000	83,000
Total Cost	336,000	384,000	451,000	284,000	302,000	259,000	336,000

Note 1: The cost for labor and materials at each home varies based on required home size, specific adaptations.

	Homes Purchased and Adapted				Home Owned by Veteran and Adapted by HFOT
	Georgia (see Note 2)	North Carolina	Virginia	Average	California
Labor & Materials—Purchased	4,000	25,000	17,000	15,000	39,000
Labor & Materials—Donated	31,000	75,000	64,000	57,000	15,000
Total Labor and Materials	35,000	100,000	81,000	72,000	54,000
Purchased Existing Home	151,000	76,000	370,000	199,000	
Total Cost	186,000	176,000	451,000	271,000	

Note 2: This home was already partially handicap-accessible for a wheelchair-bound person, so the cost for modifications was less than the other homes.

Reconsidering the 50% Cap

A disheartening aspect of the SAH grant that should be changed is the requirement that the award of the grant is limited to 50% of the cost incurred by the veteran. Simply put, in order for a qualifying veteran to receive the full $50,000 SAH grant, the veteran must show a cost to of $100,000 in home purchase price or home adaptation costs.

It should be noted that $100,000 can do little these days to obtain and/or modify a home to meet the requirements of the SAH grant. However, in the extremely unusual case that a qualified veteran is able to obtain or adapt a home to meet the requirements of the SAH grant for under $100,000, it is concerning to think that we as a Nation would only reimburse 50% of those costs to that veteran. It would seem more appropriate that these veterans should not have to incur a cost since the price they have already paid as a result of their life-altering injuries cannot be measured in dollars.

Redefining "Cost to the Veteran"

The SAH grant "cost to the veteran" requirement has caused the hindrance of communities, NGOs and family members to provide housing to "their veteran(s)" at no cost to those veterans.

As the American public realizes the importance of supporting our servicemen and women, efforts by organizations like Homes for Our Troops, local communities and family members of severely injured veterans have been hindered in applying the SAH grant to the cost of specially adapted home building projects because, technically speaking, the veteran did not incur any cost.

The requirement that, in order to qualify for the SAH grant there must be a "cost to the veteran," should be removed or at least modified to allow for costs to be incurred by other entities *on behalf of* the veteran. A simple change like this would free up resources and encourage NGOs, communities and family members to help those veterans needing Specially Adapted Housing.

If Homes for Our Troops were able to get the full value of the SAH grant applied to the 20 homes we presently have underway, that would reduce our cost for those homes by $1,000,000 and allow us to take many more families off of our waiting list.

Redefining "Specially Adapted"

Many of us have heard and read about the unfortunate battlefield effectiveness of Improvised Explosive Devices and snipers, and the devastating injuries they inflict on our servicemen and women. We have also read how these sources of injury, coupled with improved medical care on the battlefield, have resulted in greater survivability of our most severely injured combat veterans. Servicemen and women with injuries that would have killed them in previous wars are now living to see another day, and are in need of truly "special" home adaptations.

The SAH grant, in its present form, is primarily focused on the home adaptations needed for wheelchair accessibility. Wheelchair accessibility is very important for our veterans. However, the uniqueness and severity of certain injuries requires that some adaptations, currently dictated as mandatory, become more flexible and occasionally omitted from the requirements in lieu of other more modern and appropriate adaptations specifically chosen for the *actual* needs of the individual veteran.

For example, the SAH grant currently dictates specifications that mandate grab bars, countertop heights and depths, electrical outlet placements, door handle requirements and several other adaptations that benefit wheelchair bound individuals with upper body control, but provide no benefit to a quadriplegic or to a blinded, upper bilateral amputee.

A more preferable alternative to this would be to allow flexibility in what adaptations are required so that, in lieu of spending money on unnecessary grab bars for a quadriplegic, that money could be spent on providing a larger living space for ease of movement, or perhaps motion or voice activated adaptations to improve the veteran's quality of life.

In its present form, I believe that the "Specially Adapted" Housing grant does not provide enough flexibility in the field to allow for these homes to be truly "Specially Adapted."

The general guidelines for the required and recommended adaptations needed to award the SAH grant are spelled out in VA Pamphlet 26–13, which was last updated in April 1978. Along with not having been updated in 29 years (which is before many of the men and women being injured in this current war were even born), the pamphlet does appear to offer flexibility in the choices of adaptations by using the word "should" in many of its recommendations. However, SAH field agents, whether by direction or personal interpretation, are often mandating adaptations that are listed as "should," thereby diverting financial resources from needed adaptations to unneeded adaptations.

Examples of Truly "Special" Adaptations in Two of Our Home Projects

U.S. Army Specialist Russell "Kyle" Burleson was only 22 when he was shot in the left cheek by a sniper during a firefight in 2004 in Iraq while serving as a top gunner on a HMMWV. Kyle was left a C–2 quadriplegic on a ventilator and confined to an 800 pound wheelchair and the need of a hydraulic lift to lift Kyle out of his chair and his bed. Upon release from the Army and the hospital, Kyle, his wife Kristy, and their two young children had no place to move to except Kyle's mother's 120-year-old, 900-square-foot house.

The house was small and because of its size, Kyle, Kristy and their two children lived in one room that used to be his mother's living room. Because of the size of Kyle's wheelchair, Kyle was confined to that one room and could not move to other rooms in the house. And because of the size of the hospital bed, the size of the wheelchair, and the size of the other equipment like the hydraulic lift and the ventilator, Kyle could not move his chair at all, except to wheel out the double-doors they installed, that lead to the front porch of the house and a wheelchair ramp.

Living conditions were very tough for this young family that had already sacrificed so much, and because of these conditions, conducting some of Kyle's recommended therapies and exercises became too much of a burden, and Kyle's health deteriorated.

To say that this situation is unacceptable is a significant understatement.

Kyle and Kristy could not afford to build their own home, nor was the SAH grant a sufficient monetary contribution to their financial resources to allow them to build a home specially adapted to meet his many needs. The family lived in those conditions until we recently finished a home for them in November 2006. Although we conformed to unneeded adaptations like grab bars, fixture placements and countertop heights, we also focused on other special adaptations necessary for Kyle's situation.

Because Kyle is confined to a large wheelchair and on a respirator, and because he lives in a rural area of Louisiana where tornadoes, hurricanes and severe weather often occur and result in power loss, we also adapted his house with those concerns in mind.

To meet those concerns:

1. A back-up generator was installed, so that Kyle's ventilator would continue to function during extended power outages.
2. The walls of the house and the walls of the master bedroom were constructed of insulated concrete forms to provide a safe haven and a bunker for his family during a tornado or hurricane.
3. Simonton Windows, one of our corporate sponsors, donated their Stormbreaker Plus, shatter-proof storm resistant windows to protect the family from flying debris.
4. Knowing that a majority of Kyle's time would be spent in his house and basically become "his world," we constructed a large open floor plan for ease of movement and greater freedom.

Had we not constructed a home for Kyle and his family, they would still be living in the same conditions, a thought that we find intolerable.

U.S. Army Specialist James Fair was severely injured in 2003 in Iraq while serving with the 1st Infantry Division. Although James' memory is not clear of the event, it is believed that James was severely injured while diffusing an IED that he came across while setting up a barbed wire perimeter. The explosion took James' hands (just below his elbows), severely injured his right leg, caused a traumatic brain injury and left James completely blind in both eyes.

To put James' injuries into perspective, James had to be repeatedly told that he had lost his hands because phantom pains made him believe that he still had his hands, and his blindness prevented him from seeing that his hands were, in fact, gone.

The combination of James' injuries has left him unable to live on his own, and in need of 24-hour care from his mother and stepfather, who rent a small house with no special adaptations. Because of James' living conditions, the lack of home adaptations and the family's inability to afford to purchase a specially adapted home, James has spent the last few years sitting on his couch, hoping to someday overcome his challenges.

His injuries provide very unique challenges from a home adaptation standpoint because the combination of blindness without hands has proven to be a monumental challenge to overcome.

Because James has no hands, he cannot use tactile feeling to orient himself like most blind people do. Prosthetic arms do not work for James because he cannot see where the tip of the prosthetics are, or feel what they are coming in contact with.

Although the SAH grant will assist James with wheelchair accessibility, there are many other equally important adaptations that James will need. Some of the adaptations we are planning on implementing into James' home should, in our opinion, take precedence over some of the SAH grant requirements. Please see Page 9 for a list of these adaptations. Of course it is understood that VA Prosthetics and Occupational Therapy may already cover some of these adaptations.

Planned Special Adaptations to James Fair's Home

1. Home Automation
   a. Door openers by (proximity reader)
   b. Toilet Seat (motion and large button activated to lift seat, cleanse, dry, flush and close seat)
   c. Alarm system (voice activated)—EMS/Fire/Police/Burglary
   d. System operations (HVAC—voice activated)

e. Sinks—Motion Activated Faucets
f. Soap Dispensers—Motion Activated
g. Electric Hand Drier—Motion Activated
h. Several Hand Driers, vertically mounted to dry off from a bath
i. Body spray nozzles in shower

2. Home Adaptations
   a. Different flooring per room, for room orientation with feet
   b. Radiant floor heating
   c. Low thresholds to minimize trip hazards
   d. Controls for HVAC, Electrical, Toto toilet seat, etc. . . . located on the floors or baseboards
   e. Kitchen
      i. Cabinets with sliding doors and pull-down shelving unit
      ii. Stove—voice activated
      iii. Faucet—motion activated
      iv. Drier—motion activated
      v. Dishwasher—voice activated
   f. Rounded wall corners
   g. Sensors in walls or danger areas that beep to let James know he is getting too close
3. Landscaping/Yard
   a. Private outdoor area with railings—devoid of trip hazards—cushion surfaced (like playgrounds)
   b. Sound and aroma, calming environment design—running water, flora, sound system
   c. Solarium or 3 season room
   d. Sitting area

Summary

I would like to express my gratitude for the efforts of this Committee, the efforts of the Veterans Administration and all who are involved in administering and implementing the SAH grant. The SAH grant is a much needed, extremely valuable service that is provided to our severely injured veterans.

Yet despite its benefits, I feel that the intention and capacity of the SAH grant is not being fully realized, and should be modernized and expanded to better assist our severely injured in a manner more fitting and appropriate to their service and sacrifice to our country.

Homes for Our Troops will gladly assist the Veterans Administration in developing new criteria and technologies for inclusion into the requirements of the SAH grant, and will further suggest the possibility of a VA Representative being assigned to Homes for Our Troops as means to accomplishing this goal.

Chairwoman Sandlin and members of the Subcommittee on Economic Opportunity, I would again like to thank you for the opportunity to speak with you today. I would be happy to answer any questions that you might have and provide any additional information that you might need.

Prepared Statement of Keith Pedigo, Director, Loan Guaranty Service Veterans Benefits Administration, U.S. Department of Veterans Affairs

Madam Chairwoman and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss VA's Specially Adaptive Housing (SAH) programs. In my testimony I would like to highlight VA's commitment to meeting the housing needs of our Nation's most seriously disabled veterans.

The Specially Adapted Housing Grant Program

The Department of Veterans Affairs (VA) home loan program serves a clientele that is diverse in many ways. The only common denominator of this clientele is service in the Armed Forces of the Nation. Specially Adapted Housing (SAH) grants for severely disabled veterans are among the most important of the benefits that the Loan Guaranty program provides. Veterans who have specific service-connected disabilities may be entitled to a grant from VA for the purpose of constructing an adapted home or modifying an existing home to meet the veteran's needs. The goal of the SAH grant program is to provide a barrier-free living environment which affords the veteran a level of independent living that he or she may not have otherwise enjoyed. Since the inception of this program in 1948, VA has provided approxi-

mately 34,000 grants totaling $650 million. Since FY 1996, VA has provided this grant assistance to almost 6,000 severely disabled veterans.

Types of Grants

There are three types of grants administered by VA, which are available to assist severely disabled veterans in adapting housing to meet their special needs.

- **The Specially Adapted Housing (SAH) grant** is generally used to create a wheelchair accessible home. This grant is currently limited to $50,000.
- **The Special Home Adaptations (SHA) grant** is generally used to assist veterans with mobility throughout their homes. This grant is currently limited to $10,000.
- **A Temporary Residence Grant (TRA)** is now available to eligible veterans temporarily residing in a home owned by a family member. Under this program veterans eligible for an SAH grant would be permitted to use up to $14,000 and those veterans eligible for an SHA grant would be permitted to use up to $2,000 of the maximum grant amounts.

Subsequent Use

As a result of P.L. 109–233, eligible veterans or servicemembers may receive up to three SAH grants. Prior to enactment of this law, veterans could receive only one SAH grant from VA. Over the past 10 years, VA received approximately 1,000 grant applications per year. As a result of the enactment of the law permitting multiple-use, in addition to our normal volume, VA field offices have received 4,200 requests for subsequent use grants as of May 18, 2007. This is clearly a substantial increase in volume. VA is prepared to devote the necessary staffing resources to ensure that these veterans receive timely grant processing.

Eligibility for SAH Grants

The SAH grant is available to veterans who have a service-connected disability due to military service, entitling them to compensation for permanent and total disability due to:

- The loss, or loss of use of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair, or
- Blindness in both eyes, having only light perception, plus loss or loss of use of one lower extremity, or
- The loss, or loss of use of one lower extremity together with (1) residuals of organic disease or injury, or (2) the loss or loss of use of one upper extremity, which so affects the functions of balance or propulsion as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair, or
- The loss, or loss of use of both upper extremities such as to preclude use of the arms at or above the elbow.

The SHA grant is available to veterans who have a service-connected disability due to military service, entitling them to compensation for permanent and total disability due to:

- Blindness in both eyes with 5/200 visual acuity or less, or
- The anatomical loss or loss of use of both hands, or extremities below the elbow.

Sufficiency of Grant Levels

The last grant increase provided by Congress was in 2003, at which time the Specially Adapted Housing grant was increased from $48,000 to $50,000. Since 2003, approximately 98 percent of grant recipients used the entire grant amount available. Of those who did not use the entire amount, the average use was over $49,000.

Customer Satisfaction Survey Results

In 2003 VA conducted a survey of SAH grant recipients. The purpose of this survey was to help us determine whether and how well we were meeting the needs of our veterans. Ninety-two (92) percent of grant recipients indicated that they were satisfied or very satisfied with the overall SAH grant program. We are currently conducting another customer satisfaction survey to determine how we have improved in our SAH grant delivery methods and timeliness. We hope to have the results from the survey by the end of this fiscal year. We intend to use the feedback to further improve the grant process.

Related Benefits

Additionally, when appropriate, VA coordinates SAH benefits with the Vocational Rehabilitation and Employment programs for Independent Living (IL) Services. These programs' employees closely coordinate their activities when veterans are eli-

gible for both SAH and IL benefits. This ensures that veterans will receive the optimal services available from each program, and eliminates the duplication of benefits.

The SAH and SHA grants can also be used in conjunction with other VA benefit programs, including:

- The Veterans Mortgage Life Insurance program through the VA Insurance Center,
- The VA Guaranteed Home Loan, and Native American Direct Loan programs through VA Loan Guaranty Service, and
- The Home Improvement and Structural Alterations program through the Prosthetics & Sensory Aids Service (Veterans Health Administration).

Madam Chairwoman, this concludes my testimony. I greatly appreciate the opportunity to be here today and I look forward to answering your questions.

Statement of Shannon L. Middleton, Deputy Director, Veterans Affairs and Rehabilitation Commission, American Legion

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to submit The American Legion's views on the Department of Veterans Affairs Specially Adaptive Housing program.

The American Legion believes the need for Specially Adaptive Housing is paramount as increasing numbers of severely disabled veterans are returning from Iraq and Afghanistan.

The signature injuries of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) are blast trauma injuries resulting from improvised explosive devices (IED) to include—but are not limited to—amputations, loss of sight in one or both eyes and nerve damage. Decades ago, many of these veterans would never have survived their injuries. But, due to advances in protective gear, many combat veterans return to their lives with permanent, life-altering disabilities. The Specially Adaptive Housing and the Special Home Adaptation programs assist these veterans with adapting their housing to accommodate their special needs and helps to promote independent living.

The Specially Adapted Housing Grant

This grant is available for disabled veterans who are entitled to a wheelchair-accessible home especially adapted for their needs. These veterans are service-connected for total and permanent disabilities that include: loss or loss of use of both lower extremities; blindness in both eyes and loss or loss of use of one lower extremity; loss or loss of use of one extremity and residuals of organic disease or injury; and loss or loss of use of both upper extremities at or above the elbow. Many of the injured servicemembers may temporarily reside for extended periods of time with family members providing assistance during rehabilitation after combat-related injuries that result in permanent and total service-connected disabilities.

Currently, the program authorized a maximum amount of $50,000 for this grant—which can be used up to three times. A temporary grant of $14,000 for veterans residing temporarily in a home owned by a family member is also available. The cost of construction material and labor will increase and the grants should be adjusted regularly to reflect the increase. The American Legion strongly recommends that the current maximum for this program be increased to reflect the increase in the residential cost of construction index.

The American Legion strongly recommends that the current $50,000 grant for Specially Adapted Housing be increased to $55,000.

Special Home Adaptations Grant

This grant is available to veterans who are entitled to adaptation due to blindness in both eyes with 5/200 visual acuity or less, or includes the anatomical loss of both hands for the actual cost to adapt a house, or the appraised market value of, adapting features already in the house when it was purchased. The current maximum grant amount is $10,000.

The maximum amount for the temporary grant for veterans temporarily residing with family is $2,000. Depending on the length of the veteran's stay with the family member, the family member's home may require extensive adaptations in order to gain independence over the course of recovery. The American Legion believes that the maximum amounts for this program should also be increased to accommodate the increase in the cost of home improvement.

Some of these veterans and their families have already experienced financial hardships due to loss of the veteran's income or loss of employment while providing care to the injured veteran. The amount of the grants, which are designed to meet the needs of veterans who are facing challenges due to their service-connected disabilities, should do as much as possible to defray the cost of these necessary adaptations.

The American Legion strongly recommends that the Special Home Adaptations grant be increased from $10,000 to $12,300.

Again, thank you, Mr. Chairman, for giving The American Legion this opportunity to present its views on the Specially Adaptive Housing program. We look forward to working with the Subcommittee to address this important issue.

Statement of Don D. Cooper, Tacoma, Washington

I'm writing to request that the House Committee on Veterans' Affairs undertake a serious reconsideration of an adequate and proper funding amount for the Special Adaptive Housing grant. For some time now it has remained at an inadequate $50,000 maximum grant per qualifying disabled veteran.

I am a Vietnam era (1968–69), service-connected triple amputee and wheelchair user. I previously used the Special Adaptive Housing grant in 1980–81 when I purchased a condominium unit in Seattle that was undergoing a conversion from rental apartments to individual unit private ownership. The SAH grant at that time was $30,000 and the cost of the two bedroom unit was to the best of my recollection $80 to $85 thousand, which was at the time a median priced condo unit for Seattle. The SAH grant at that time was sufficient to allow me to completely remodel the kitchen, utility room, both bathrooms, all interior doorways, flooring, etc., to make the condominium unit into a fully wheelchair-accessible home; thereby permitting me to live an independent, full life as I pursued a normal and productive career life that was as good as anyone could expect with my severe physical limitations.

In the intervening time period of approximately 26–27 years since I last used the SAH grant to buy and remodel a home, I find that the median price of a home in my area has jumped more than fivefold over that same period of time. If my memory serves me correct, I believe that I recently read that the overall U.S. median price of a home has more than tripled since 1980. Yet the SAH grant has increased by only $20,000, or 67%, to $50,000 within that same time period—not even doubling over that near 30 year period and thereby not keeping up with the cost of inflation for housing. In 2005, either the U.S. House or the Senate considered adding $5,000 to the $50,000 maximum grant amount, but even that small increase didn't make it to any final bill passage.

I don't know how our newly disabled Iraqi/Afghani vets, especially with wheelchair mobility requirements, can be expected to adapt his or her existing home (let alone purchase a first home!) on only $50,000 at today's prices. For a fully wheelchair-adaptive home we are talking significant adaptations to kitchens, bathrooms, interior doors, electrical placements, flooring, perhaps ramps or lifts, etc.

Now, 26 years after I last used the SAH grant, I have retired from a successful career life and as part of my retirement experience I decided last year to sell my last condominium home and purchase a single-family home with yardage that would provide me with an outdoor living experience that a condominium building could not. The selling price of my condominium and the purchase price of the single-family style home were an even trade, pricewise, but I had to additionally set aside what I assumed would be adequate funds to cover expected remodeling costs for wheelchair accessibility. But since buying the home I have been amazed at the current expense of trying to remodel any home to make it at least minimally accessible for wheelchair needs. I have hired an architect and have been told to expect remodeling/construction costs to average between $150 to $200 per sq. ft. I am needing a wheelchair lift to have full access to all the home and have received bids of between $23 to $25 thousand for the cost of simply purchasing the lift—not including the costs for installation and construction. Because of the high lift cost, I have decided to forego any kitchen or utility room remodeling, and will only do one complete bathroom remodel out of the three total bathrooms in the home. I was fortunate to receive a relative's donated labor when I remodeled three interior doors to make them wider, pocket-type doors for ease of wheelchair access. I have decided to install ramp access to only one of three exterior doors to also cut down expenses.

I was quite surprised and relieved when I received notice from the VA last December that I qualified for a reuse of the SAH grant under the new provisions of P.L. 109–233 passed last June 15, 2006. These new provisions allow reuse of the SAH

grant for up to three times "as long as the aggregate amount of assistance does not exceed the maximum amounts allowable for grants authorized under title 38. . . ." In my particular case, this has meant $20,000, the difference between $30K I used in 1980 and the maximum SAH grant that has existed for several years at $50K. This unexpected windfall will now allow me to complete my remodeling project because it will pay for the majority of the cost of a wheelchair lift, even though I am still forced to scale back my initial remodel plans because of unanticipated high costs for the remaining work. Yet, overall, I am still pleased and satisfied with my decisions as they stand even if they will fail to meet my maximum benefit. Such is life. Therefore, I don't wish to give the impression of exhibiting a sour grape attitude to my predicament, or to be a whiner at the public trough.

Yet my experience and needs as a disabled U.S. veteran since 1969 and comparing it to the future needs and possible experiences of the newly disabled Iraqi/Afghani vets causes me to be concerned that their well-being will not be as fully met as it has been for me. Looking at my care overall, I have been well served by the U.S. Veteran's Administration and the laws enacted to provide for my care. I can especially say that this was so in the early years of my disability, when my needs were greatest to get me started on the path of a reasonably independent and full life. My basic physical needs were provided for; my independent transportation needs were taken care of by the automobile grant; my college education was fully funded, enabling me to pursue a normal career life; and my independent housing needs were met as I've outlined above. All four of the above life needs were important in allowing me to have a fulfilling life in spite of my severe disability. At present, in giving thought to all this, I'd be hard pressed to put them in any sort of needs hierarchy.

But this is not the point that I wish to emphasize to this Subcommittee. The point that I wish to impress upon this Subcommittee of the House Committee on Veterans' Affairs is the importance of fully funding all four of these life needs that I have found important as a longtime disabled veteran. From my perspective and experience, the funding of one of these life needs is currently not being fully met, and that is the independent housing need.

If I wasn't able to live independently from the beginning, I faced either being taken care of by my parents or siblings, or living in a physical care institution. Neither was an acceptable option for me as I would have most likely deteriorated emotionally over time, since I valued highly my independence in choice and action, and toward which my VA funded education and independent transportation abilities had already pointed me as a desired direction. Not being married at the time of my war trauma, I did not have the opportunity afterward to have a third option—that of having my own wife and family to live with (this will also be the future for many of these newly disabled war vets).

My experience in meeting this need from 30 years ago and trying to meet it again at the present day hopefully clarifies my point. If these housing needs are not adequately funded from the beginning, additional Federal tax dollars will end up being expended in the future, either for long-term psychological or institutional care, or both. We owe these newly minted disabled vets better than that.

Thank you for your time and consideration.

Statement of Linda Fraser, Rochester, Indiana, on behalf of Floyd Fraser

My husband Floyd served in the Army from October 1965 to October 1967 during which he served in Vietnam from May 1966 to May 1967. While in Vietnam he was wounded three times, including once in the head and once by being stabbed while in hand-to-hand combat. Floyd was assigned to the 69th signal corps of the 101st Airborne. He was first assigned to be a guard for Gen. Westmoreland, during which his head injury occurred when the compound came under attack.

While in the field, Floyd had heavy exposure to Agent Orange. From this Floyd has suffered a wide variety of problems, from rashes to the diabetes he continues to suffer from. Floyd also suffers with PTSD still today. Thankfully, Floyd has been treated through the VA health system for all his medical problems since 1983. When Floyd first started with the VA Hospital for the seizures, he was given 10% disability for Traumatic Head Injury: they also discovered the PTSD; later they would discover the type 2 diabetes. Unfortunately, the diagnosis for diabetes came late, and this led him to develop severe complications, one being neuropathy of his lower extremities that worsened to the point where he totally lost feeling in both legs in 2003.

After discharge from the Army, Floyd returned to work at RCA in Bloomington from 1967 to 1975 when he went to college to become a funeral director and em-

balmer. Due to PTSD he was unable to continue to work in this area as he was having flashbacks to Vietnam and fallen comrades. This lead to his treatment for the PTSD while unemployed. From 1983 to 1986, Floyd returned to college for computer training. Unable to obtain work in that area, he went to work for the Indiana Highway Department, eventually working himself up to Assistant Supervisor over bridges and highways. In 2003, Floyd began having trouble walking and began having difficulty doing his job. He was admitted to the VA Hospital in Indianapolis where he was told he was having small strokes and had developed the previously mentioned neuropathy, resulting in the total loss of feeling from his feet to just above his knees. At this time he was placed on 100% disability.

In April of 2004 we received a letter from the Department of Veterans Affairs stating that we were eligible to receive Special Adaptive Housing. We called the office and spoke with Winston Hunter, setting up an appointment for him to come to our home. I then began looking for contractors. Our son Paul did the blueprints for the job to save money and worked with all the contractors to keep the cost down. Unfortunately, he was unsuccessful with getting a contractor in our area to work with the VA because the contractors were unfamiliar with the program and wanted at least one-fourth of the cost up front. Finally, in the spring of 2005, we went to a builder's home show in Kokomo and found a contractor, Bergstrom Home Improvements, willing to work with the VA and learn how the program worked. Again our son worked with them on the blueprints.

About two months before the construction started, we gathered all the involved parties and met with Winston Hunter from the VA in our home. At this point we had to go in front of the zoning board for approval, get signatures of neighbors for the okay to build, as well as other approvals before building could start. While doing this we also had to set up an escrow account with the title company costing us $100.00. Soon after, Mr. Hunter, Bergstrom's, and my husband and I all met to sign the papers. In June the contractors started working and were done by the middle of July, even though they ran into unforeseen problems. Our home was built in the 1800s and where the addition was taking place, there was a log cabin area causing more work than anticipated. The first stage went well in doing the foundation; it was the next step in cutting out a window for the new doorway, plus widening a doorway from the living room to the kitchen area where problems occurred. Once the problems were under control, they began building a new handicap accessible bedroom and bath. The new rolling shower was great until it was used for the first time and water ran all across the room! The contractors did not lower the floor enough to allow for drainage, which was fixed once they returned and placed a strip to stop the flow of water into the room.

In the kitchen we had an island with a range top in the middle. The contractors only moved this from the center to the wall to give Floyd enough room to get into and out of the kitchen. Unfortunately, this area is still unfinished due to the cost already running over by $5,000.00. When doing the heating and cooling to save money again the contractor put in flexible piping instead of metal piping. This is not good for homes in the country like ours because wild animals and mice eat through flexible piping. After finishing the rooms the contractors built two concrete ramps, one off the bedroom to serve as an emergency exit and the other off the kitchen. The pad off the bedroom was too small for Floyd to use easily to get in and out.

Once the SAH was done it was great for Floyd to be able to get around in our home and become more independent. This is because all areas now have a five-foot turnaround for his wheelchair. All outlets and light switches are at a level accessible to him. Perhaps most importantly, we were able to get a full-sized bathroom that Floyd is able to use. Floyd is well pleased with the work the SAH program did. For all that great good it has done there were also problems. On a personal level, the main problem was the extra cost we had to pay to finish the kitchen area due to cost overruns. My impression is that the cost of the SAH has not increased as rapidly as the inflation of prices to be able to get all done that is needed. The other major problem we encountered was the large number of contractors unfamiliar with the program and unwilling to work with it. According to the contractors we spoke with, one main impediment for them is the way the money was to be given to them in different stages.

Thank you for considering our testimony, and thank you for the assistance this program, despite some hiccups, has provided for myself and my husband.

Statement of William Joseph Studebaker, Granger, Indiana

My name is William Studebaker and I had the honor of serving in the United States Army from February 1954 thru February 1956. I was trained to be a Medical Laboratory Technician in Fort Sam Houston, Texas and later was transferred to Fort Ord in California. I thoroughly enjoyed my time in the Army and working in the lab.

When I was 21, I woke up totally blind. Being so young I was more upset about missing participating in a camp ping-pong tournament than I was with my blindness. The Veterans Administration diagnosed me with multiple sclerosis. I was fortunate enough to regain my vision and finish my stint with the Army. I was also fortunate to be diagnosed with multiple sclerosis while in the Army but I didn't realize until much later how fortunate I truly was.

I am now considered to be 100% service-connected disabled because I am legally blind and because of the multiple sclerosis. I am in a wheelchair always, have been diagnosed with Alzheimer's, and am receiving treatment for prostate cancer. I receive all medical treatment through the Veteran's Administration Hospital either in Indianapolis (my primary) or Fort Wayne (dental). The VA has been outstanding in its care of me and in addressing my changing health and making certain I receive the adaptive devices I require to remain as independent as possible. Prior to my health decline I was a high school science and biology teacher in California for 17 years. I later returned to college and earned a masters' degree in Blind Rehabilitation Teaching.

In January 2006 I received a letter from a Mr. Alan Munn of the National Service Office of Paralyzed Veterans out of Indianapolis. Mr. Munn requested that I give him a call. I was surprised to receive his letter as I felt that my health needs were being monitored closely at the VA Hospital. My wife, Julia, called Mr. Munn. Mr. Munn informed her that due to my health decline I could be eligible for an increase in my monthly benefits. He asked my wife several questions regarding my independence—or lack thereof—and was surprised that my wife took care of all my needs including dressing me, bathing me, sometimes feeding me. He scheduled a physical for me on February 14, 2006 at the Marian VA Hospital.

I was also working with a Michael Buescher of the Fort Wayne Vocational Rehabilitation and Employment Office through the VA. Mr. Buescher and Mr. Munn both advised my wife and me to apply for the SAH grant. Why? They explained that the grant would allow us to make adaptations to our home to make it safer and more wheelchair friendly. Our house is only 10 years old but it was not built to accommodate wheelchairs or a man who tends to fall out of his wheelchair.

Mr. Winston Hunter, Special Adapted Housing Agent from the Indianapolis Field Team, contacted us and scheduled a home visit on November 16, 2005. He did not tell my wife that I needed to be at the visit and I spent the day at my office (adult daycare). Mr. Hunter toured the house and had my wife fill out paperwork and watch a video about the possibilities the grant had to offer regarding home adaptations. Calls and paperwork between Mr. Hunter and my wife persisted through April of 2006 when Mr. Hunter requested a meeting with me. No problem as we are down in Indianapolis at least three times a month for my medical appointments. Mr. Hunter needed to see me in person as proof that I was indeed in a wheelchair and agreeable to the potential house modifications.

We had a Mr. Louis Seago, a local contractor, come to our home and sit down with us and listen to our ideas and why we wanted to make certain changes. Mr. Seago offered several suggestions also including lowering the thermostat so that I could reach it to set it from the wheelchair. Paperwork continually needed to be updated, re-sent, explained, waivers were signed, etc. It was a lengthy process but everyone involved knew there was a light at the end of the tunnel.

Work on widening our hallways and doorways and adding a ramp off of the master bedroom began in December 2006. A mild winter enabled Mr. Seago's crew to install our ramp in January. They also put in French glass doors from the master bedroom to the ramp as the old sliding doors did not accommodate my wheelchair.

In January, Mike and Scott, Mr. Seago's crew, were widening the doorways from the garage into the hallway with the washer and dryer that leads into the house. They moved the dryer vent around to the side so that the vent was out of the way and the dryer could be pushed back closer to the wall. This may not seem to be a big deal but it was a huge deal in my story and why this housing grant was so beneficial to my wife and me.

On the morning of January 12, 2007, I fell while transferring from my house wheelchair to my "outdoor" wheelchair. The house wheelchair is called a quickie and it isn't as wide as a traditional wheelchair. Nor is it as sturdy which was why we could only use it in the house. We were in a hurry to leave for work. We leave every

morning by 6:35 so that Julia can drop me off at my office before she heads over to her office 45 minutes away. I neglected to put on the brakes on my quickie wheelchair. When I stood up to transfer, the quickie rolled backward and I panicked and fell hard to the tile floor. Julia was in front of me holding the outdoor wheelchair and assists me into that chair by grabbing my hips and helping to rotate my hips.

Julia tried to pick me up herself several times. I weigh about 215 pounds and Julia weighs about 108 pounds. She is strong but I am dead weight. I could not put any weight on my right leg. Julia went and got the Hoyer lift the VA had dispensed to me about eight years earlier to help get me up off the floor when I fall. Thanks to the dryer being moved back against the wall the lift fit easily in the laundry room and Julia was able to crank me up and put me into a wheelchair and take me to work. I complained that my right leg hurt and Julia checked it before she left and said it looked a little red. She mentioned my fall and pain to Joanne, the morning person at my office. (The Veteran's Administration also covers the cost of my daycare. I was the first veteran in this part of the State to qualify for adult daycare coverage and that was a long struggle. Happily, now my office has at least a dozen veterans who utilize the facility while their loved ones work and get a break from being caregivers).

Julia was called about 10:30 by Norma, who works at my office to see if it was all right to give me something for the pain in my leg. Julia gave her approval for me to have aspirin. About 11:00 Cindy, the office nurse, called Julia saying my right leg was really hurting me and that I needed to see a doctor. Again, this is a Friday afternoon and Monday was Martin Luther King day. Julia told Cindy that she would pick me up at 3:00 for a 3:30 appointment with our family doctor. Julia decided not to make the 3.5 hour drive to Indianapolis. Julia also called the Marian VA Hospital to make certain that she could take me to our family doctor. Julia did not pick me up immediately as Scott and Mike were at the house working on the wider doors.

Long story short—maybe. It turns out that I had badly broken my right leg. At Dr. Oppman's office it took several people to get me onto the x-ray table. He sent me over to the emergency room. Fortunately, we have a van with a lift provided by the Veteran's Administration (the life portion). At St. Joseph Hospital it took six workers to get me out of my wheelchair onto the examination table.

A cast was put on my leg that started at my toes and it goes clear up to the top of my right leg. No surgery because the doctors' decided not to put me through it as I am always in a wheelchair. The doctors would not let me leave the hospital until my wife went home and brought back a larger wheelchair with a high back and longer leg rest. My cast is not flexible at all! The larger wheelchair would not have fit into the house with the old, narrow doorways and hallways.

The bottom line is that without the SAH grant making modifications to our home I would not have been able to return home. I would have had to go and stay at a nursing home. It is now June 4th and I am still in that same long cast using the same larger wheelchair but I am at HOME where I belong!

It is not just this SAH grant that I say a heartfelt thanks to the Veteran's Administration and the government for but it is for the years of assistance I have received and help and sound advice from VA employees. Without the van lift, the Hoyer lift, the larger wheelchair, a ramp in the garage, exceptional employees like Winston Hunter and Allan Munn I don't know what my wife and I would have done or how we would have managed. The SAH grant has been a life saver. Yes, it was a long process and very time consuming but we are grateful that it is available to veterans who want to remain in their own home or in their parents' home. I am able to live at home thanks to the veterans and more importantly thanks to my wife who has stood beside me and helped open doors and perused adaptive equipment and the SAH grant for me through the Veteran's Administration.

Thank you Members of Congress for taking care of American Veterans and their families. Keep up the good work—please!

POST-HEARING QUESTIONS AND RESPONSES FOR THE RECORD

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC
June 8, 2007

Mr. Carl Blake
National Legislative Director
Paralyzed Veterans of America
801 18th St. NW
Washington, DC 20006

Dear Mr. Blake:

Thank you for testifying before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on Specially Adaptive Housing grant program on June 7, 2007.

I am submitting additional questions to be included in the hearing record. I would appreciate your response to the enclosed additional questions for the record by close of business July 6, 2007.

Please restate the question in its entirety and please provide your answers consecutively on letter size paper, single-spaced.

Thank you for your cooperation in this matter.

Sincerely,

John Boozman
Ranking Republican Member

Paralyzed Veterans of America
Washington, DC
July 10, 2007

Honorable John Boozman
Ranking Member
House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
333 Cannon House Office Building
Washington, DC 20515

Dear Ranking Member Boozman:

On behalf of Paralyzed Veterans of America (PVA), I would like to thank you again for the opportunity to testify before the House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity on Thursday, June 7, 2007. As we stated in our testimony, the Specially Adapted Housing grant is one of the most important benefits available to PVA members, veterans who have incurred a spinal cord injury or disease.

Following the hearing, you submitted additional questions as it regards this program. The attached document provides PVA's response to your further inquiry of this extremely important benefit.

PVA looks forward to working with you and Chairwoman Herseth Sandlin to ensure that the most appropriate enhancements are made to the Specially Adapted Housing grant. Thank you again.

Sincerely,

Carl Blake
National Legislative Director

Question 1: Assuming the costs of the following proposals are equal, which would you prefer?

a. An increase in adaptive housing grant; or
b. A second grant of $50,000 to adapt a subsequent home.

Answer: As we have testified in the past, both of these possibilities are a high priority for PVA. Ultimately, we do not believe that we should have to choose between one option and the other. However, for the sake of this discussion, I will comment on this question.

PVA has long advocated for an increase in the Specially Adapted Housing (SAH) grant. As you are probably aware, *The Independent Budget* for FY 2008 recommends that the SAH grant be increased to $60,000. However, we believe that the more important recommendation for the SAH grant is to develop an automatic annual index for this grant. If an index was enacted, we believe that the larger issue of maintaining the purchasing power of the grant year-after-year would be achieved. This would ensure that, at the very least, the grant would keep pace with inflation.

However, we believe that the option for a second grant of $50,000 to adapt a subsequent home would be more important to PVA's membership. As such, we place this at the top of our preference list of enhancements to the SAH grant. I would also note that this is also a recommendation in *The Independent Budget* for FY 2008. Like the needs of other families today, veterans' housing needs tend to change with time and new circumstances. An initial home may become too small when the family grows or become too large when children leave home. Changes in the nature of a veteran's disability may necessitate a home configured differently and changes in the special adaptations. These things merit a second grant to cover the costs of adaptations to a new home.

We hope that the Subcommittee will consider both of these issues as it seeks to enhance the SAH program. PVA looks forward to working with the Subcommittee to ensure that legislation considered best benefits the severely disabled veterans eligible for the SAH grant. We would be happy to respond to any additional questions that you might have.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC
June 8, 2007

Mr. Brian Lawrence
Assistant National Legislative Director
Disabled American Veterans
807 Maine Ave., SW
Washington, DC 20024

Dear Mr. Lawrence:

Thank you for testifying before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on Specially Adaptive Housing grant program on June 7, 2007.

I am submitting additional questions to be included in the hearing record. I would appreciate your response to the enclosed additional questions for the record by close of business July 6, 2007.

Please restate the question in its entirety and please provide your answers consecutively on letter size paper, single-spaced.

Thank you for your cooperation in this matter.

Sincerely,

John Boozman
Ranking Republican Member

Post-Hearing Question and Response for the Record
Joseph A. Violante, National Legislative Director
Disabled American Veterans
Before the
Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
United States House of Representatives
June 7, 2007

QUESTION:

1. Assuming the costs of the following proposals are equal, which would you prefer?

   A. An increase in adaptive housing grant; or
   B. A second grant of $50,000 to adapt a subsequent home.

RESPONSE:

The Disabled American Veterans (DAV) would prefer an increase in the adaptive housing grant. Currently, the Department of Veterans Affairs (VA) has interrupted the law for adaptive housing grants to allow a qualified veteran to apply any unused portion of his or her adaptive housing grant toward a newly qualified renovation to a home. Therefore, even older veterans who have used less than the maximum of their adaptive housing grant could benefit from an increase in the adaptive housing grant.

DAV appreciated the opportunity to provide these comments as an addendum to our testimony during the June 7, 2007 hearing.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC
June 8, 2007

Mr. Thomas Zampieri, Ph.D.
Director of Government Relations
Blinded Veterans Association
477 H Street NW
Washington, DC 20001

Dear Mr. Zampieri:

Thank you for testifying before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on Specially Adaptive Housing grant program on June 7, 2007.

I am submitting additional questions to be included in the hearing record. I would appreciate your response to the enclosed additional questions for the record by close of business July 6, 2007.

Please restate the question in its entirety and please provide your answers consecutively on letter size paper, single-spaced.

Thank you for your cooperation in this matter.

Sincerely,

John Boozman
Ranking Republican Member

Blinded Veterans Association
Washington, DC
June 23, 2007

The Honorable John Boozman
Ranking Member, Subcommittee on Economic Opportunities
Committee on Veterans' Affairs
335 Cannon House Building
Washington, DC 20515

Dear Chairman Boozman:

On behalf of the Blinded Veterans Association (BVA), the only congressionally chartered veterans' service organization exclusively dedicated to serving the needs of our Nation's blinded veterans and their families for over 60 years, BVA would like to express strong support of your leadership to increase benefits for special adaptive housing as recommended by all endorsers of *The Independent Budget*. BVA would like to take this opportunity to thank you for your unwavering support of our Nation's disabled veterans in trying to make some increase in the adaptive housing grants necessary to meet the needs of veterans to live independently.

In regards to the questions on assuming the costs of the following proposals are equal which would you prefer in your followup questions BVA would respond this way.

1. (A) BVA would prefer that the total increase for adaptive housing grant be made for the veterans' residence to meet the higher costs of making the adjustments necessary to live independently. In regards to the question of a second grant of $50,000 to adapt a subsequent house, we would recommend that a smaller grant be made available to cover expenses if a veteran has to move into another home

either for access to employment or to improve access to public transportation. Our experience is often disabled veterans who get the adaptive housing grants live in their homes for many years without moving, however if with the changing employment situation they must move they should be entitled to have another grant to cover some modifications in a new home similar to provision for a OIF veteran who initially lives with parents and then moves into their own home.

It is essential that the VA have this authority in any legislation to both provide for an increase in the current amount for adaptive housing grants, but to allow some provision for those who do have to move. We would argue that many studies show that it is less expensive to the government to support a disabled individual to live independently than to live in a nursing home or assisted living facility.

Once again, BVA thanks you for your tireless efforts on behalf of all veterans. We look forward to working with you and all members of the Committee.

Sincerely,

Thomas Zampieri, Ph.D.
Director, Government Relations

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC
June 8, 2007

Mr. Brian Catalde
President
National Association of Home Builders
Paragon Communities, Inc.
203 Richmond St.
El Segundo, CA 90245

Dear Mr. Catalde:

Thank you for testifying before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on Specially Adaptive Housing grant program on June 7, 2007.

I am submitting additional questions to be included in the hearing record. I would appreciate your response to the enclosed additional questions for the record by close of business July 6, 2007.

Please restate the question in its entirety and please provide your answers consecutively on letter size paper, single-spaced.

Thank you for your cooperation in this matter.

Sincerely,

John Boozman
Ranking Republican Member

Questions from Hon. John Boozman, Ranking Republican Member, Subcommittee on Economic Opportunity, to Brian Catalde, President, National Association of Home Builders, and President and Chief Operating Officer, Paragon Communities, El Segundo, California

1. If we were to authorize tying grant increases to some cost of construction, which construction index would you suggest?
2. We have heard testimony that it cost more to renovate an existing structure then to build from scratch. Do you agree with that statement?
3. What is the range of construction cost across the nation?
4. You suggested compiling a list of approved contractors. Who would maintain such a list and who would determine the qualifications to be included on the list and wouldn't such a list eliminate access to qualified contractors?

[NO RESPONSE TO THE QUESTIONS WAS RECEIVED FROM MR. CATALDE.]

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC
June 8, 2007

Mr. Keith Pedigo
Director
Loan Guaranty Service
Department of Veterans Affairs
1800 G Street, NW
Washington, DC 20036

Dear Mr. Pedigo:

Thank you for testifying before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on Specially Adaptive Housing grant program on June 7, 2007.

I am submitting additional questions to be included in the hearing record. I would appreciate your response to the enclosed additional questions for the record by close of business July 6, 2007.

Please restate the question in its entirety and please provide your answers consecutively on letter size paper, single-spaced.

Thank you for your cooperation in this matter.

Sincerely,

John Boozman
Ranking Republican Member

Questions for the Record
The Honorable John Boozman, Ranking Republican Member
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs
June 7, 2007
Specially Adaptive Housing Grant Program

Question 1: After the enactment of P.L. 109–233, the VA has seen an increase in the number of grant applications from 1,000 per year to 4,200 applications in FY 2007. Please compare the pre and post P.L. 109–233 time required to begin construction once a vet has been determined eligible for a grant.

Response: The Department of Veterans Affairs (VA) is conducting data analysis to better answer your question and will provide a response by September 2007.

Question 2: Please provide the total number of loan guarantee staff dedicated to the SAH program prior to and after P.L. 109–233.

Response: Both prior to and after Public Law (P.L) 109–233, VA has had 13 full-time and 63 part-time specially adaptive housing (SAH) agents. The Veterans Benefit Administration is in the process of hiring an additional 25 SAH agents at the regional loan enters.

Question 3: Please describe how Loan Guarantee field staff coordinates the SAH grant between veteran, builder and the financial institution.

Response: To inform the veteran about the SAH program, the SAH agent conducts an initial meeting with the veteran. These meetings take place in-person whenever possible. During the meeting, the agent describes the various construction options available to create a barrier-free living environment. The agent also provides a copy of VA Pamphlet M26–13, *Handbook for Design*. M26–13 describes the specific accessibility features that could be incorporated into the design and construction, such as widening doorways, installing ramps and handrails, and other similar enhancements. In addition, the agent may also provide a list of contractors that have been approved for SAH work in the area. VA does not recommend a specific contractor. The agent also takes this opportunity to inform the veteran about other VA resources and benefits that may be available to them, such as home improvement and structural alterations (HISA), to improve their independence.

Once the veteran selects a contractor, the SAH agent meets with the veteran and contractor to review the SAH program requirements and answer any questions. At

this time, a copy of the *Handbook for Design* is also made available to the contractor.

When the veteran and contractor have agreed to a contract and set of design plans, they submit the plans to the SAH agent for review and approval. The SAH agent may require changes to the plans to ensure that the adaptations will be suitable to the veteran's needs for dwelling purposes. In such cases, the agent returns the plans to the veteran and contractor for revision. The revised plans will then come back to the agent for final approval.

Once the grant has been approved, the SAH agent requests the grant funds from the Treasury. When received, the SAH agent deposits the funds into an escrow account selected by the veteran. At the time of deposit into the escrow account, the SAH agent, veteran, contractor and escrow agent meet and discuss the disbursement schedule of the grant funds.

VA then assigns a VA compliance inspector to the construction project to assess the completion of the scheduled construction phases. The VA compliance inspector notifies the SAH agent when a phase is considered complete and pursuant to the escrow agreement the agent then contacts the escrow agent to authorize release of the prescribed portion of grant funds.

To ensure continuity, the SAH agent works with the veteran throughout the process and regularly stays in communication via telephone, email or personal visits.

EXECUTIVE SUMMARY

2007 Lender Satisfaction Survey with the VA Home Loan Guaranty Program

Introduction and Background

This report presents findings from the *2007 Lender Satisfaction Survey with the VA Home Loan Guaranty Program*. The report represents the fourth iteration of the survey; however, it represents the first administration since 2002. The survey was sponsored by VA's Loan Guaranty Service (LGY) and was conducted by Caliber/ICF International, a global research consulting organization.

The primary objective of the survey was to gauge lender satisfaction with the VA Home Loan Guaranty Program at both the regional and national levels. The survey examined lender satisfaction in a number of areas, including contact with VA, awareness of the program, training, outreach, eligibility determination, appraisal process, and overall impressions. Prior to administering the 2007 version, VA made minor revisions to the questionnaire by adding or modifying questions.

The results of the survey can be used to:

- Identify areas of the VA Home Loan Guaranty Program which are most and least satisfying to lenders;
- Determine which improvements to the program will have the greatest impact on lender satisfaction; and
- Provide data to support performance measures tracked by VA on an annual basis.

This report presents the results of the 2007 survey and, where applicable, presents data comparisons with the 2002 survey.

Methodology

VA requested survey responses from the census of 2,000 lending institutions that had closed at least five loans in the first half of the Fiscal Year. Respondents were mailed three packages:

- First Invitation Letter—invitation letter with Web link and login
- Reminder #1—reminder postcard
- Reminder #2—reminder postcard

The survey was administered via the Web from June 4, 2007 to August 22, 2007. The final overall response rate was 33.98%. Table 1 presents the sample distribution and the associated response rate.

Table 1:

2007 Lender Satisfaction Survey Final Sample Distribution and Response Rates	
Total Mailed	2,000
Received Paper	N/A
Received Web	630
Total Received	630
Undeliverable	146
Deceased	0
Refused	2
Total (minus Undel)	1,854
Response Rate	**33.98%**

To ensure that the lenders who responded to the survey adequately represented the census of lenders, we examined whether the responders differed from the non-responders in terms of lender size. We found that the majority of the largest lenders responded to the survey and there was little difference between the respondents and non-respondents. Additionally, since there was very little relationship between the lenders' self-reported primary RLC and the RLC in the administrative dataset (as many lenders are national providers), we did not weight the data by Regional Loan Center. As a result, the data was not weighted by any lender characteristic.

Report Highlights

There was one strategic performance measure that was gathered from this survey:

- Overall Satisfaction with the VA Home Loan Guaranty Program (Q60): In 2007, 93.2% of lenders reported being very or somewhat satisfied with the VA home loan guaranty program. (Satisfaction with the program was high regardless of lender size.)

The following bullets highlight some of the other major findings from this survey:

- About two-thirds of the lending institutions responding to the survey had been in the mortgage industry for 15 years or more.
- Inquiries about underwriting remained the top reason for lenders contacting RLCs. Three in four lenders indicated that phone was the preferred method to contact VA, and 96% of lenders rated VA as responsive.
- About two-thirds of lenders attended one VA training session in the past 12 months and one-third attended two or more training sessions, with online training being the preferred method. Furthermore, 92% of lenders found VA training sessions effective.
- 96% of lenders encouraged eligible veterans to use the Loan Guaranty program with 71% indicating that the no downpayment feature was the most attractive element.
- About one-third indicated that lenders misperceive the program. However, four in five lenders believe VA can alter these perceptions.
- Comparing the survey results of 2002 to 2007, there was a 6% point increase in satisfaction with the quality of work of VA appraisers. Similarly, there was a 6% point increase in satisfaction with courtesy and professionalism of VA appraisers and a 10% point increase in satisfaction with the timeliness of VA appraisers.
- Nearly 100% of lenders would recommend the Loan Guaranty program to veterans.

We also conducted a quadrant analysis to identify areas of high program performance and areas for program improvement that are of greatest importance to lenders. The customer satisfaction items in the quadrant analysis were plotted on the basis of importance and satisfaction with the quadrant lines placed at the approximate midpoints of the scores at the national level (quadrant I). Similarly, areas in which customers place high importance and rate high satisfaction offer VA opportunities to market program success (quadrant II). The following bullets provide a summary of the customer satisfaction items found in quadrants I and II.

- Quadrant I: High Priority Action Items (High Importance; Low Satisfaction)
  - — Timeliness of VA appraisers (Q55)
  - — Courtesy and professionalism of appraisers (Q56)
  - — Quality of work of VA appraisers (Q57)
- Quadrant II: High Priority Relationship Building Items (High Importance; High Satisfaction)
  - — Satisfaction with the timeliness and the clarity of information lenders receive from the VA (Q17, Q18)
  - — Effectiveness and quality of VA-sponsored trainings (Q26, Q28)
  - — Satisfaction with VA's online systems (Q47)
  - — Satisfaction with the information and the informational resources provided by VA (Q30)
  - — Satisfaction with your experiences contacting VA personnel at the Regional Loan Center (Q14)
  - — Satisfaction with the professionalism of VA personnel (Q11)

EXECUTIVE SUMMARY

2007 Specially Adapted Housing Program: Grantee Survey

Introduction and Background

This report presents findings from the *2007 Specially Adapted Housing (SAH) Program Survey*. The report represents the second iteration of the survey; the last iteration was conducted as part of a program evaluation in 2002–2003. The survey was sponsored by VA's Loan Guaranty Service (LGY) and was conducted by Caliber/ICF International, a global research consulting organization.

The primary objective of the survey was to gauge veteran satisfaction from the census of veterans who received the final disbursement of their grants from the SAH program in Fiscal Year (FY) 2006. The survey examined veteran satisfaction around a number of areas, including learning about the SAH program; initial letter of notification; program eligibility and application; SAH contacts/communication; grant type and plans; receiving the grant funds; using the SAH grant; satisfaction with contractor; satisfaction with inspector; and overall satisfaction with the program experience.

Prior to administering the 2007 version, VA significantly revised the questionnaire and added additional questions of interest. Cognitive lab sessions were used to refine and pilot-test the instrument.

The results of the survey can be used to:

- Identify areas of the SAH grant process where veterans are most and least satisfied;
- Determine which improvements to the process will have the greatest impact on veteran satisfaction with the SAH program; and
- Provide data to support performance measures tracked by VA on an annual basis.

This report presents the results of the 2007 survey.

Methodology

The survey was mailed to the census of individuals that received their final disbursement on an SAH grant in FY 2006, had a valid home address, and were not recorded as deceased in VA's databases (n = 408). (Note: In the 2003 survey, the census was drawn based on the FY grant approved date, as compared to the final disbursement date. Therefore, the population of veterans surveyed in the 2003 survey may not have completed construction modifications to their home at the time of the survey.)

Respondents were mailed four packages:

- First Survey Package—cover letter; survey; business reply envelope
- Reminder #1—reminder postcard
- Second Survey Package—cover letter; survey; business reply envelope
- Reminder #2—reminder postcard

The survey was administered from June 4, 2007 to August 20, 2007. The final overall response rate was 68.79%. Table 1 presents the sample distribution and the associated response rate.

Table 1:

2007 VA Specially Adapted Housing Survey Final Sample Distribution and Response Rate						
	Mailed	Undeliverable	Refused	Deceased	Total (minus Undel)	Response Rate
TOTAL	**408**	**46**	**0**	**0**	**362**	**68.79%**

Report Highlights

There was one strategic performance measure that was gathered from this survey:

- Do the housing adaptations help you live more independently? (Q82): In 2007, 93.2% of veterans strongly agreed or agreed that the adaptations allow them to live more independently.

The following bullets highlight some of the other major findings from this survey:

- Veteran Service Organizations (VSO), letters from VA, and VA marketing materials were the most frequent way grantees first learned about the SAH. When it was a VSO, most grantees learned from Disabled American Veterans (43%) or Paralyzed Veterans of America (25%). However, personal visits from SAH agents were the most effective way to learn about the program.
- The majority of SAH grant recipients reported contact with their agent within 30 days of receipt of 26–39 letter.
- Almost 25% reported having problems with the grant application. Common problems included: (1) asked for information felt VA should have; or (2) some of the instructions were confusing.
- About three in four veterans felt that VA kept them informed about the status of their SAH application.
- 91% of the applicants received the maximum grant amount.
- For Type A grant users, almost 60% remodeled an existing home. Of those who were unable to use their first choice of grant plan, about half had to acquire land because their original plan to adapt their house was not feasible. For Type B grant users, about half adapted a current house.
- 93% rated the adaptive items provided by the SAH grant as adequate. Over 90% used the grant to make bathrooms accessible. Other common uses were: (1) install grab bars; (2) widen door openings; or (3) install ramps. Over 50% rated accessible bathrooms as most important to independent living.
- For about half of veterans (53%), it takes more than 120 days to build or modify their specially adapted home. Four in ten grant recipients had difficulty identifying contractors.
- Over 85 percent rated communication with SAH agent as excellent or good. Veterans who rated communication as excellent/good were likely to be highly satisfied with the overall SAH program. About three-fourths said that they spent as much time with the SAH agent as they wanted.
- 95% of grantees would recommend the SAH grant program to other veterans with service-connected disabilities.

We also conducted a quadrant analysis to identify areas of high program performance and areas for program improvement that are of greatest importance to lenders. The customer satisfaction items are plotted on the basis of importance and satisfaction with the quadrant lines placed at the approximate midpoints of the scores at the national level. Generally, areas in which customers place high importance but indicate relatively low satisfaction are those that require attention (quadrant I). Similarly, areas in which customers place high importance and rate high satisfaction offer VA opportunities to market program success (quadrant II). The following bullets provide a summary of the customer satisfaction items found in quadrants I and II.

- Quadrant I: High Priority Action Items (High Importance; Low Satisfaction)
  - — Reasonableness of the time to receive an initial letter of notification, 26–39 letter (Q6)
  - — Extent to which sources of learning about the program are informative (Q2)
  - — Extent to which veterans are kept informed of the application status/process (Q17)
  - — Extent to which veterans are able to spend as much time with SAH agent as they wanted (Q27)
- Quadrant II: High Priority Relationship Building Items (High Importance; High Satisfaction)
  - — Information provided by the SAH agent (e.g., brochures, pamphlets, video, and handbook) (Q21)
  - — Level of satisfaction with the SAH agent's communication (Q22)
  - — Involvement in the decisions about the planned adaptations (Q26)
  - — Level of responsiveness of the SAH agent to questions and inquiries (Q36)
  - — Opportunity to discuss the desired modifications with the SAH agent when meeting or calling (Q39)
  - — Courtesy of the SAH agent (Q40)
  - — Level of satisfaction with adaptive items (Q63)
  - — Adequacy of the grant amount (Q53)
  - — Level of satisfaction with inspector's performance (Q76)

EXECUTIVE SUMMARY

2007 Specially Adapted Housing Program: Non-Grantee Survey

Introduction and Background

This report presents findings from the *2007 Specially Adapted Housing (SAH) Program: Non-Grantee Survey*. The report represents the first iteration of the survey. The survey was sponsored by VA's Loan Guaranty Service (LGY) and was conducted by Caliber/ICF International, a global research consulting organization, under contract GS–23F8062H, V10DY67266.

The primary objective of the survey was to examine the reasons why eligible SAH beneficiaries have not yet applied for the SAH grant. The intent of the survey was to provide valid data at the national level.

The results of the survey can be used to:

- Identify the barriers eligible beneficiaries have in learning of the program and applying for the SAH grant;
- Determine which improvements to the SAH grant process will have the greatest impact in terms of eligible individuals applying for and receiving a grant to accommodate their needs; and
- Provide data to support performance measures tracked by the VA on an annual basis.

This report presents the results of the 2007 survey.

Methodology

The survey was mailed to the census of living individuals that were rated eligible for a SAH grant in Fiscal Year (FY) 2003–2006 but have yet to use a grant (n = 968). Respondents were sent three mailing packages:

- First Survey Package—cover letter; survey; business reply envelope
- Reminder #1—reminder postcard
- Second Survey Package—cover letter; survey; business reply envelope

The survey was fielded from June 6, 2007 to August 22, 2007. The final overall response rate was 57.48%. Table 1 presents the sample distribution and the associated response rate.

Table 1:

2007 VA Specially Adapted Housing: Eligible Non-Grantee Survey Final Sample Distribution and Response Rate						
	Mailed	Undeliverable	Refused	Deceased	Total (minus Undel)	Response Rate
TOTAL	**968**	**72**	**0**	**0**	**896**	**57.48%**

Report Highlights

The following bullets highlight some of the major findings from this survey:

- Approximately four in five non-grantees (83%) are aware of the program and over half of non-grantees feel that an award letter is the best way to inform veterans about the SAH program.
- Two-thirds of the non-grantees have never applied to the SAH program (67%). Of those who have not yet applied, about one-third are unsure how to apply (31%) and one-third want to use the grant in the future (30%).
- About half of those that submitted applications had difficulty with the grant approval process (55%). The major reasons were: (1) current house not suitable for adaptation; (2) developing the building/remodeling plans; or (3) contractor problems.
- Overall, the reasons for not obtaining or using a SAH grant varied with 21% of non-grantees indicating that they decided to defer grant to later time.

EXECUTIVE SUMMARY

2007 Veteran Satisfaction Survey with the VA Home Loan Guaranty Program

Introduction and Background

This report presents findings from the *2007 Veteran Satisfaction Survey with the VA Home Loan Guaranty Program*. The report represents the fifth iteration of the survey since it was originally developed in 2000; however, it represents the first administration since 2003. The survey was sponsored by VA's Loan Guaranty Service (LGY) and was conducted by Caliber/ICF International, a global research consulting organization.

The primary objective of the survey was to gauge satisfaction from a representative sample of veterans who recently obtained a VA home loan at both the national and regional levels. The survey examined veteran satisfaction in a number of areas, including contact with VA, certificate of eligibility, realtor, lender, appraisal, and overall impressions. Prior to administering the 2007 survey version, VA made minor revisions to the questionnaire by adding or modifying questions.

The results of the survey can be used to:

- Identify areas of the home loan process where veterans are most and least satisfied at the national and Regional Loan Center (RLC) levels;
- Determine which improvements to the process will have the greatest impact on veteran satisfaction; and
- Provide data to support performance measures tracked by the VA on an annual basis.

This report presents the results of the 2007 survey and, where applicable, presents comparison data to the 2003 survey.

Methodology

The survey was mailed to a random sample of 13,506 veterans who had closed a purchase home loan in Fiscal Year (FY) 2007 from October 2006 to May 2007. (Note: In the 2003 survey, the sample included veterans who obtained either a purchase or refinance loan. The RLC jurisdictions also changed slightly from 2003 to 2007.) For each of the RLCs, the survey was mailed to approximately 1,400 veterans who had closed a purchase loan, except for Honolulu. Honolulu had a smaller sample population due to its size.

Respondents were sent four mailing packages:

- First Survey Package—cover letter; survey; and business reply envelope
- Reminder #1—reminder postcard
- Second Survey Package—cover letter; survey; and business reply envelope
- Reminder #2—reminder postcard

The survey was administered from June 4, 2007 to August 20, 2007. Respondents had the option of completing the survey on paper or on the Web. Upon conclusion of the survey field-period, 72.5% of respondents completed the paper survey and the remaining 27.5% completed the Web survey. The final overall response rate was 33.31% and ranged from a high of 38.59% for the Manchester RLC to a low of 28.35% for the Roanoke RLC.

Given that the response rate was lower than expected, a series of non-response analyses were conducted to determine if the responders (i.e., those who completed the survey) were different in a meaningful way from the non-responders (i.e., those who did not complete the survey). The analyses included demographic comparisons on key variables, including age, loan amount, income, RLC, and gender. The analyses indicated that there were minimal differences between respondents and non-respondents, except for age and RLC. The analyses showed that older veterans responded at a higher rate than younger veterans, and veterans from some regions responded at a higher rate than veterans from other regions. As a result, the data was weighted by age and RLC. Table 1 presents the sample distribution and the associated response rates by RLC.

Table 1:

2007 Survey of Veteran Satisfaction with the VA Home Loan Guaranty Process Final Sample Distribution and Response Rates						
RLC	Mailed	Unde-liverable	Refused	Deceased	Total (minus Undel)	Response Rate
Atlanta	1403	36	1	2	1364	**30.28%**
Cleveland	1408	19	1	0	1388	**35.73%**
Denver	1405	76	0	0	1329	**28.74%**
Honolulu	847	99	0	0	748	**29.95%**
Houston	1407	48	1	0	1358	**35.71%**
Manchester	1407	61	1	0	1345	**38.59%**
Phoenix	1407	66	1	0	1340	**34.18%**
Roanoke	1407	41	1	0	1365	**28.35%**
St. Paul	1406	17	0	0	1389	**37.51%**
St. Petersburg	1409	35	0	0	1374	**32.39%**
TOTAL	**13506**	**498**	**6**	**2**	**13000**	**33.31%**

Report Highlights

There was one strategic performance measure that was gathered from this survey:

- Overall Satisfaction with Process of Receiving a VA Home Loan (Q69): In 2007, 93.1% of veterans reported being very or somewhat satisfied with the VA home loan process.

The following bullets highlight some of the other major findings from this survey:

- Lenders and VA Website effectively informed veterans about the Loan Guaranty program.
- Almost half of veterans preferred to hear from VA via a letter; the percentage of veterans who indicated e-mail and Website were sizable, but preference for these options declined with age.
- About half of veterans contacted VA with the majority using the telephone to make the contact. The number of veterans who visited a RLC declined between the 2003 and 2007 survey.
- In general, the purpose of veteran contact with VA was to apply for the COE or to get information before applying. Lenders obtained the veteran's COE in 41% of the cases and over 90% of the veterans reported being satisfied if their COEs were processed in 10 days or less.
- One in three veterans reported that their loans were processed in less than 2 weeks. Another 36% of loans were processed between 2–4 weeks and the remaining 20% could not recall the timeframe.
- Over 80% of veterans were satisfied with their realtor and 60% rated their realtor's knowledge of VA's programs as excellent or very good. Only 7% of veterans reported that their realtor discouraged them from using the Loan Guaranty program.
- 88% of veterans were satisfied or very satisfied with their lender. Satisfaction with the Loan Guaranty program improved when lender knowledge of the program was high.
- 74% of veterans were satisfied or very satisfied with the appraisal process and 86% were satisfied or very satisfied with the appraiser.
- Veterans were attracted to the no downpayment feature of the program. Previous experience with the program was another strong motivator in choosing to get a VA home loan.
- Across all RLCs, there was an increase in the consideration of alternative loan products. However, 26% of veterans reported that if they had not received their VA home loan, they would not have been able to purchase their home.
- 99% would recommend the Loan Guaranty program to other veterans.

We also conducted a quadrant analysis to identify areas of high program performance and areas for program improvement that are of greatest importance to our veterans. The customer satisfaction items in the quadrant analysis are plotted on the basis of importance and satisfaction with the quadrant lines placed at the approximate midpoints of the scores at the national level. Generally, areas in which customers place high importance, but indicate relatively low satisfaction, are those that require attention (quadrant I). Similarly, areas in which customers place high importance and rate high satisfaction offer VA opportunities to market program success (quadrant II). The following bullets provide a summary of the customer satisfaction items found in quadrants I and II.

- Quadrant I: High Priority Action Items (High Importance; Low Satisfaction)
  - — Extent to which VA toll-free telephone contact provided veterans what they needed to know (Q15)
  - — Level of satisfaction with the appraisal process (Q57)
  - — Extent to which veterans felt time to receive COE was reasonable (Q34)
- Quadrant II: High Priority Relationship Building Items (High Importance; High Satisfaction)
  - — Accuracy of information received about the program (Q4)
  - — Level of satisfaction with realtor (Q39)
  - — Level of satisfaction with lender (Q48)
  - — Ease to which veterans could get information on the program from their lender (Q44)
  - — Responsiveness of VA employees on the phone (Q13)
  - — Satisfaction with the quality of the appraisal (Q64)