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**WHITE PAPER FOR A NATIONAL VETERAN AND MILITARY FAMILY
SAVINGS BOND PROGRAM TO FINANCE THE COMPREHENSIVE NATIONAL
VETERAN AND MILITARY POLICY FOR THE 21ST CENTURY**

PROPOSED BY VETERANS & MILITARY FAMILIES FOR PROGRESS

PURPOSE: Generate a new source of funding to meet the physical and mental healthcare, housing assistance, and military family needs of Veterans for the 21st Century and beyond.

The military conflicts in the Middle East and elsewhere have resulted in severe physical and mental injuries to our service men and women that require solutions in specialty areas of plastic surgery, prosthetics, and mental health. The severity of burn injuries, traumatic brain injuries, and loss of limbs has necessitated an enormous increase in the amount of funding needed to address these issues. The Congressional Budget Office, appropriate Congressional committees, Office of Management and Budget, and the General Accounting Office have estimated the cost of care to be in the billions of dollars.

VMFP proposes a 21st century funding approach to cover these costs and to pay for the other components of its national policy for veterans and their families. The program VMFP is proposing would not change or replace existing funding provided to the Department of Veterans Affairs by the US Congress through its budgetary, authorization, and appropriation process. It is designed to complement existing VA funding mechanisms and ensure that funds are available to cover these costs.

Recommendation: VMFP proposes the establishment of a National Veteran and Military Family Savings Bond Program marketed to the general citizenry and run by the Department of the Treasury through its Treasury Direct program, with oversight by the Senate Finance Committee. The bonds will yield an interest rate not less than 5% and will be offered in denominations starting at \$50 and up to \$10,000. The bonds will be secured by the Department of the Treasury and backed by the Congress of the United States. Initial investment to start the program will come from private investors or private loan proceeds. Congress will provide no taxpayer funds for the program and will have no jurisdiction over the program except to provide oversight to ensure the funds are fulfilling the purpose of the Veteran and Military Family Savings Bond Program. The funds will be placed in trust, and only used to fund the VMFP Veteran and Military Family Policy initiatives as stated in the VMFP policy document. The bonds will mature at 20 or 30 years. At maturity the accrued bond interest will be tax-exempt. The program will be administered by a new Bureau of Veteran and Military Family Security within the Department of the Treasury.

VMFP highly recommends that a comprehensive educational and marketing strategy be put in place to ensure the success of this new Veteran and Military Family Savings Bond Program, and to ensure that it meets the needs of coming-home issues for returning military personnel and their families.

Disclaimer: This document was authored by Matthew Cary, President of Veterans and Military Families for Progress, and approved by the VMFP Board of Directors. Any use of the contents of this document except for the purposes stated is prohibited.

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