



VA Guaranteed Home Loan Briefing Loan Administration

This document contains U.S. Department of Veterans Affairs proprietary business information and may not be reproduced without permission.



U.S. Department
of Veterans Affairs

Overview of Loan Administration

Loan Administration is responsible for all activities involving VA-guaranteed loans until the loan is paid in full or terminated including the following:

- Monitors servicer activities and intervenes as needed during the delinquency and foreclosure process.
- Reviews cases and provides additional assistance to borrowers on an exception basis.
- Handles borrower and servicer inquiries on current and delinquent loans.
- Reviews exceptions on acquisitions, incentives and claims prior to payment.
- Conducts post audits.

Reporting Timely is Essential

Per VA Regulation, events need to be reported timely and in correct order.

Loan Modification should have the following three events:

- Loan Modification Approved
- Loan Modification Complete
- Default Cured Loan Reinstated

If on Trial Mod, do not need to report anything. Do not report Repayment Plan or Special Forbearance for Trial Mod.

Advantages of Correct Reporting

- Less work for Servicer. Once a loan is cured, new processes will not be initiated (i.e. AOS, suspicious loan mod, etc.)
- If loss mitigation cured the default and default cured event is reported, Servicer may be entitled to an incentive.

Communication

Communication is key

Use of incorrect terminology confuses borrowers and VA personnel.

- Loan Modifications-"closing costs" are not allowed. Certain foreclosure fees are allowed.
- Responding to Technician requests.
- Update VALERI with key contacts.

Adequacy of Servicing (AOS)

VA reviews all delinquent loans for adequacy of servicing. This review ensures that all possible loss mitigation options have been assessed.

- Information must be provided timely to VA.
- Information to provide to VA includes dates that Servicer contacted or attempted to contact borrower; status of loss mitigation review and SCRA protection.

PRE-APPROVALS

VA requires servicers to follow VA regulatory requirements for servicing loans guaranteed by VA unless extenuating circumstances prevent them from doing so. If servicers must deviate from a regulatory requirement, they can submit a pre-approval request to VA for review. A pre-approval means “prior approval” to deviate from a regulation based on the circumstances of the loan. Some examples:

- Modify a loan more than 3 times
- Modify a loan with interest rate more than once percent higher than existing rate
- Lock in the rate at the time of approval of the Trial Plan

Pre-approvals should be for exceptions only. Do not need a pre-approval to modify at a lower rate.

VA Disaster Modifications

VA Disaster Modifications

- Borrowers must be impacted by a federally declared disaster, with the loan no more than 30 days past due at the time of the disaster.
- Disaster modifications must be solicited/offered within 12 months from the time of the disaster.
- Borrower has not submitted a complete loss mitigation package or been approved for a workout option.
- Evaluation of the borrowers financials is not required. Preapproval is granted under 38 CFR 36.4315(a)(3).

Chapter 21: VA Disaster Modification	VA Circular 26-17-39: VA Extend Modification
Borrower must complete a 3 month trial plan.	No trial plan is required.
Servicer must follow 38 CFR 36.4315 with respect to the amounts included in the modified/new loan amount.	Servicer must waive the delinquent interest accrued on the loan as a result of the delinquency.
Servicer must follow 38 CFR 36.4315 with respect to the interest rate adjustments.	The desired result is the Veteran is able to resume the same regular monthly installments. The rate should be equal to (or less than) the rate at the time of the disaster.
Servicer must follow 38 CFR 36.4315 with respect to term extensions.	The term of the loan must be extended equal to the number of months the loan is delinquent, with a limit up to 12 months.

VA Disaster Modifications

Disaster Modifications and PreApprovals

- Servicers are able to request PreApproval for items that fall outside the bounds of our guidance.
- VA Disaster Modification: The servicer should submit a PreApproval Request to lock in the rate at the time of approval of the trial plan.
- VA Extend Modification: The servicer does not require preapproval if the current market rate is less than the rate on the loan.
- Reminder – we are waiving the following:
 - Fewer than 12 payments made on the loan since origination.
 - Loan was previously modified within 3 years.
 - Loan was previously modified 3 times.

CLAIMS

- If loan goes to foreclosure, Servicer has 365 days from loan termination to file a claim.
- Appraisals are paid above max guaranty
- 30 days after original claim to appeal items that were denied. Must provide justification and evidence
- 365 days to file supplemental claim from loan termination (items that were not claimed on original claim). Must provide justification and evidence.
- Claim item in correct category and do not group items together. All loans are subject to a Post Audit.

POST AUDITS

The post-audit process protects the interests of both the Veteran and the government. The primary objectives of the post-audit are to confirm the appropriateness of payments, account for regulatory infractions, and to make adjustments, as necessary. The Department of Veterans Affairs (VA) conducts monthly post-audit reviews on the following types of cases:

- Repayment Plan
- Special Forbearance
- Loan Modification
- Deed-in-Lieu of Foreclosure (DIL)
- Compromise Sale
- Foreclosure

VA Contact Information

St. Petersburg Regional Loan Center Puerto Rico Team

Servicing Officer: Jackie Ansboury

Senior Loan Technician/Team Leader: Marilyn Estrada

Loan Technicians:

Braulio Almonte

Liliana Astete

Annette Fournier-Rivas

Wanda LaTorre

REFERENCES/RESOURCES

VALERI (VA Loan Electronic Reporting Interface Website):
https://www.benefits.va.gov/homeloans/servicers_valeri.asp

VALERI Servicer Manual M26-4

VALERI Servicer Newsflashes