

SUPPORTING STATEMENT FOR VA FORM 26-6681,  
APPLICATION FOR FEE OR ROSTER PERSONNEL DESIGNATION  
(2900-0113)

A. JUSTIFICATION

1. A detailed explanation of the circumstances which make the form necessary is as follows:

VA uses fee basis appraisers to appraise residential real estate and recommend value for loan purposes. A fee appraiser is a qualified person requested by the Secretary to render an estimate of the reasonable value of a property, or of a specified type of property, within a stated area for the purpose of justifying the extension of credit to an eligible veteran (38 CFR 36.4301, see exhibit A). The fee appraiser's estimate of value is reviewed by a staff appraiser or lender who uses the data to establish the VA reasonable value (38 U.S.C. 3710(b)(4), (5), (6) (exhibit B), and 3731(f)(1) (exhibit C), which becomes the maximum loan amount an eligible veteran can obtain.

The Secretary is authorized by 38 U.S.C. 501(a) (see exhibit D) "... to prescribe all rules and regulations which are necessary or appropriate to carry out the laws administered by the Department...". One of these laws (38 U.S.C. 3704(a), see exhibit E) states that "No loan for the purchase or construction of residential property shall be financed through the assistance of this chapter unless the property meets or exceeds minimum requirements for planning, construction, and general acceptability prescribed by the Secretary...". To carry out the provisions of this law, compliance inspectors are used to verify that builders/sellers are complying with the requirements established by the Secretary. Since the Secretary is authorized to make the rules and regulations with respect to carrying out the provisions of title 38, this would also include the authority to collect necessary information to determine the qualifications and acceptability of compliance inspectors. No designation as compliance inspector may be made unless a completed application form has been received (38 U.S.C. 501(a), 513 (see exhibit F) and 3704(a)).

The changes that have been made to this form are: The requirement for the social security number of the applicant has been changed from voluntary to mandatory. The requirement to "mail" the application to VA has been changed to "submit" the application. The reference to "VA Regional Office" has been changed to "VA Regional Loan Center." The last sentence after "Instructions" was deleted, as it referred to the obsolete VA Form 26-6684. In conjunction with the VA changes to the form, HUD which has ownership of this form (HUD-92563) made additional changes including those to comply with OMB requirements to the Respondent Burden and Privacy Act Statement and included in Item 3b an entry for Ethnicity.

2. The form solicits information on the fee personnel applicant's background and experience in the real estate valuation field. VA regional offices and centers use data on the form to evaluate applicants' experience for the purpose of designating qualified individuals to serve on the fee roster for their stations. Qualifications are stated in 38 CFR 36.4339 (exhibit G).

Upon receipt of the form, the Chief, Construction and Valuation Section, determines if basic qualifications have been met. Applications which meet the basic qualifications are retained in a pending file if no vacancies exist, and applicants are informed by letter that all eligible applications will be considered when a vacancy occurs. Applicants who fail to meet the basic qualifications are informed by letter and the application is held for 6 months and then is destroyed.

When a vacancy does occur, applications are reviewed by the Fee Roster Committee and designation or rejection of applicants is made to the Regional Office/Center Director. If an applicant is designated, he or she is notified by letter from the Director. Applications for designated fee appraisers and compliance inspectors are maintained in a fee personnel file. Since the recommendations of fee personnel concerning the value and/or condition of properties proposed as security for home loans directly impact loan approval decisions, and therefore the Government's contingent liability, it is essential that persons performing this work be well-qualified. The collection of this information is essential in evaluating the professional expertise of fee applicants.

3. The information on VA Form 26-6681, Application for Fee Personnel Designation, enables VA to determine whether the applicant qualifies for designation in the position for which he or she is applying. The form is available via the Internet as a copy or in a format ready to be completed and submitted electronically.

4. There is no duplication of information involved. No similar information is available as the form solicits information concerning the fee personnel applicant's qualifications.

5. Small organizations are not involved. The VA obtains the services of fee personnel on an individual basis only based on the professional expertise of the individual.

6. This information collection is not a recurring or repetitive report. It is accomplished on a one-time basis per individual applicant.

7. There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

8. The agency notice was published in the Federal Register on March 28, 2006, pages 15516-15517. No outside consultations were made because the form is being completed satisfactorily by the parties involved. No comments were received.

9. No payments or gifts to respondents have been made under this collection of information.

10. Loan Guaranty Fee Personnel and Program Participant Records - VA (17VA26) contained in the Privacy Act Issuances, 2001 Compilation.

11. VA does not collect information of a sensitive nature under this collection of information.

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12. Estimate of Information Collection Burden

a. Number of respondents is estimated at 6,200 per year.

b. Frequency of response is generally one time.

c. Annual burden is 3,100 hours.

d. The estimated average response time of 30 minutes is based on trial use with staff personnel including appraisers, who are familiar with the type of information required by the form.

e. The total estimated cost to respondents is \$ 46,500 (3,100 hours x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$70, 928 Estimated Loan Guaranty processing cost for FY 2005  
(6,200 cases x 30 minutes x \$22.88 per hour (average Loan  
Guaranty field salary))

No printing cost

\$70,928 Total estimated cost to Federal Government

15. After a re-evaluation, HUD determined that it would take an appraiser 30 minutes, rather than 20 minutes, to complete the form.

16. Information collection is not for tabulation or publication use.

17. The collection instrument, VA Form 26-6681, may be reproduced and/or stocked by the respondents and veterans service organizations. The form does not display an expiration date, and if required to do so it would result in unnecessary waste of existing stocks of this form. The form is submitted to OMB for approval every 3 years. As such, this date requirement would also result in an unnecessary burden on the respondents and would delay Department action on the benefit being sought. VA also seeks to minimize its cost to itself of collection, processing, and using the information by not displaying the expiration date. For the reasons stated, VA continues to seek an exemption that waives the displaying of the expiration date on VA Form 26-6681.

18. This submission does not contain any exceptions to the certification statement identified in Item 19, "Certification of Paperwork Reduction Act Submissions," of OMB Form 83-1.



## B. STATISTICAL METHODS

1. The Veterans Benefits Administration does not collect information employing statistical methods.