

**SUPPORTING STATEMENT FOR
VA FORM 26-6393, LOAN ANALYSIS
(2900-0523)**

A. JUSTIFICATION

1. VA Form 26-6393 is currently used by employees of both lending institutions and VA to determine the ability of a veteran-applicant to qualify for any type of VA-guaranteed loan authorized by 38 U.S.C. 3710(a) (see exhibit A). Lenders complete and submit the form to provide evidence that the lender's decision to submit a prior approval loan application or close a loan on the automatic basis is based upon appropriate application of VA credit standards as required by 38 U.S.C. 3710(b) and 3710(g) (see exhibit B).

2. The form will be completed by employees of lending institutions partially from information contained on other documents in the loan file. In addition, some items will be completed on the basis of mathematical calculations and underwriting judgment resulting from interpretation of VA credit standards (38 CFR 36.4337 (see exhibit C)). VA employees will also be able to extract data from the completed form in order to expand the amount of information contained in VA's data bases; i.e., income and indebtedness amounts for veteran-borrowers.

3. This form has been placed on the Internet where lenders can download it if desired (<http://www.va.gov/vaforms/>). Many lenders have created this form on their own automated origination systems. They complete the form online and print it out to submit to VA. Loan Guaranty has developed an EDI (electronic data interchange) application where lenders can submit their guaranty submissions electronically, thus eliminating the need for a paper file. VA has not made this mandatory although we promote the concept. To date several large lenders are using this paperless process.

4. The information is not contained in any other VA records. Similar information is not available elsewhere.

5. Small organizations are involved and VA Form 26-6393 is designed to help minimize their burden. The use of this form provides VA with evidence of the lenders' adherence to VA credit standards.

6. Without this information, VA could not accurately assess the lenders' adherence to VA credit standards.

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 October 3, 2006 on page 58477 in the Federal Register. Specific consultations outside the agency were not made since the form is being completed satisfactorily by the parties involved. No comments were received.

9. Decisions to provide any payment or gift to respondents does not apply.

10. Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records and Vendee Loan Applicant Records - VA (55VA26) contained in the Privacy Act Issuances, 2001 Compilation.

11. No sensitive questions appear on the form.

12. Estimated Cost to Respondents

a. The number of respondents per year is estimated at 125,000.

b. Frequency of response is on occasion.

c. Annual burden is estimated at 62,500 hours.

d. The estimated average response time is 30 minutes and no adjustment is necessary.

e. The total estimated cost to respondents is \$937,500 (125,000 responses x 30 minutes per response x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Cost to the Federal Government

\$739,687 Estimated Loan Guaranty Processing Cost for FY 2006
(125,000 cases x 15 minutes x \$23.67 per hour (average Loan Guaranty field salary))

_____0 No cost for printing and mailing internet only form

\$739,687 Estimated cost to Federal Government

15. The burden hours are expected to decrease based on our estimate of lower loan volume this year.

16. Information collection is not for publication purposes.

17. The collection instrument, VA Form 26-6393, may be reproduced and/or stocked by the respondents and veterans service organizations. This VA 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. These forms are 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 collecting, 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 26-6393.

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

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