

SUPPORTING STATEMENT FOR VA FORM 26-1802A,
HUD/VA ADDENDUM TO UNIFORM RESIDENTIAL LOAN APPLICATION, AND
FREDDIE MAC 65/FANNIE MAE FORM 1003, UNIFORM RESIDENTIAL LOAN
APPLICATION (2900-0144)

A. JUSTIFICATION

1. VA Form 26-1802a, HUD/VA Addendum to Uniform Residential Loan Application, and Freddie Mac 65/Fannie Mae Form 1003, URLA (Uniform Residential Loan Application) serve as the lender's and veteran's application for home loans authorized by 38 U.S.C.

2. VA Form 26-1802a is completed by employees of lending institutions based on information supplied by potential veteran-homebuyers. Lending institutions subsequently submit the form to the VA regional office of jurisdiction where a loan specialist examines the information for compliance with the requirements of chapter 37 of title 38, U.S. Code, and applicable VA regulations. If the requirements are met, VA will issue a commitment to guarantee the loan following closing. The major categories of information solicited and the related citations are as follows:

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|--|---|
| a. Purpose of Loan | 38 U.S.C. 3710(a)(1) through (10) |
| b. Amount of Loan, Terms, and Veteran's Income and Asset Information | 38 U.S.C. 3703(c) (1) and (3), (d)(1) and (2), and 3710(b)(1) and (2) |
| c. Credit Worthiness of Veteran | 38 U.S.C. 3710(b)(2) and (3) |
| d. Occupancy Certification | 38 U.S.C. 3704(c) |
| e. Lien Information | 38 U.S.C. 3703(d)(3) |

(See exhibit A for references. Applicable VA regulations are attached as exhibit B.)

Without the collection of this information, VA would not be able to determine compliance with the eligibility requirements governing the loan purpose and terms, type of lien, and the veteran's credit worthiness, all of which are requirements of law and are imposed to assure protection of the VA's interest as future guarantor of the loan.

3. Use of information technology does not apply because participating lenders use a variety of methods for completion and processing of the form, and computerization is not available to all participating lenders. Lenders processing VA loans have the option of submitting loans electronically for guaranty. In those cases they do not have to send a "hard copy" of VA Form 26-1802a to VA unless the case is identified for audit. The form is located on the One-VA Form website in a fillable electronic format.

4. No duplication of information is involved as the application concerns an individual loan and income and credit information which would not be available on a current basis by other means.

5. Participating lending institutions are seldom in the small business category. However, the information collected is typical of mortgage loan applications and should present no unusual burden for any small firms. VA Form 26-1802a is a joint form also used by lenders applying for HUD/FHA insured loans. Firms participating in these guaranty or insurance programs have the benefit of a common form and, therefore, a lesser burden than would be required were they to use separate Agency forms.

6. This information collection is not a recurring or repetitive report. It is generally used once per home loan application.

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 Department notice was published in the Federal Register on June 27, 2007 Vol. 72, No. 123, page 35304. No outside consultations were solicited as the form is being completed satisfactorily by applicants. No comments were received.

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

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

11. While personal information is solicited, it is typical of credit data and is not considered sensitive.

12. Estimate of Information Collection Burden

a. Number of respondents is estimated at 200,000 per year.

b. Frequency of response is generally one time.

c. Annual burden is 20,000 hours.

d. The estimated average completion time of 6 minutes per response was based on informal consultations with various mortgage companies and staff familiar with the form.

e. The total estimated cost to respondents is \$300,000 (20,000 hours x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

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14. Estimated Cost to the Federal Government

\$3,886,400	Estimated Loan Guaranty processing cost for FY 2007 (200,000 cases x 48 minutes per case x \$24.29 per hour (average Loan Guaranty field salary))
\$ <u>2,500</u>	Estimated cost for printing 50,000 forms (\$50 per 1,000)
\$3,888,900	Total estimated cost to Government

15. No change in burden hours.

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

17. The collection instrument, VA Form 26-1802a, 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 26-1802a.

18. There is no exception to the certification statement identified in item 19, "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-1.

B. STATISTICAL METHODS

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

