

SUPPORTING STATEMENT FOR VA FORM 26-8736  
APPLICATION FOR AUTHORITY TO CLOSE LOANS ON AN  
AUTOMATIC BASIS - NONSUPERVISED LENDERS  
(2900-0252)

JUSTIFICATION

1. Sections 3702(d)(3) and 3710 of title 38 U.S.C. provides for nonsupervised lenders to make automatically guaranteed loans if they are approved for such purpose by the Secretary of Veterans Affairs. Automatic lending privileges eliminate the requirement for submission of loans to VA for prior approval. Lending institutions with automatic loan privileges may process and disburse such loans and subsequently report the loan to VA for issuance of guaranty.

2. VA Form 26-8736 is used by nonsupervised lenders requesting approval to close loans on an automatic basis. The form contains information and data considered crucial for making acceptability determinations as to lenders who shall be approved for this privilege.

Upon receipt of the form, the VA Regional Loan Centers will process and evaluate the information. They will then advise the lender-applicant of their decision. Without this information, VA would not be able to determine if lender-applicants met the qualifications for processing loans on the automatic basis.

3. The form is on the internet which allows lenders easy access to it. While not fillable at this time, we have requested that the form be made fillable. The information requested on the form is varied and specific to each individual applicant. Also this form is not suitable for VONAPP since it is completed by lenders and not veterans.

4. No duplication of information is involved.

5. Small businesses are not involved.

6. This information collection is not a recurring or repetitive report. It is generally conducted 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 Department notice was published in the Federal Register on August 8, 2007 volume 72, number 152, page 44611-44612. No outside consultations were solicited since the form is being satisfactorily completed by the applicants. 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) are contained in the Privacy Act Issuances, 2001 Compilation.

11. No sensitive questions appear on the form.

12. Estimate of Information Collection Burden

a. Number of respondents is estimated at 120 per year.

b. Frequency of response is generally one time.

c. Annual burden is 50 hours.

d. The estimated response time of 25 minutes is based on trial use with Loan Guaranty office staff.

e. The total estimated cost to respondents is \$750.00.  
(50 hours x \$15 per hour)

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$ 1,214.50 Estimated Loan Guaranty processing cost for FY 2007  
(120 cases x 25 minutes per case or 50 hours x \$24.29  
per hour includes Central Office and Field Personnel's  
average loan guaranty salary)

No printing cost

\$1,214.50 Total estimated cost to Federal Government

15. There is no change in burden hours.

16. Information is not for publication purposes.

17. The collection instrument, VA Form 26-8736, 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. This 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 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 26-8736.

18. There is no exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions” of OMB Form 83-I.

#### B. STATISTICAL METHODS

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