

Supporting Statement for VA Form Letter 26-567,  
Status of Loan Account - Foreclosure or Other Liquidation  
(2900-0130)

A. Justification

1. VA Form 26-567 is necessary to obtain information from holders concerning the status of a loan account at the time of foreclosure or other liquidation action. This information determines whether VA will specify a minimum amount for credit to the indebtedness pursuant to 38 CFR 36.4283 and 36.4320. Collection of this information is authorized by 38 CFR 36.4215, 36.4319(b) and 36.4330 and in compliance with 38 U.S.C. 3720 and 3732.

2. The information is used in preparation of VA Form 26-6713, Summary of Basis for Liquidation Procedure, by loan specialists at VA regional offices for the purpose of determining the optimal method for satisfying the guaranty. This determination could not be made without a statement of loan account.

3. Use of information technology is nearing implementation. VA has been developing a web-based service to allow all servicers to provide information electronically via the new VA Loan Electronic Reporting Interface (VALERI). We expect to implement the use of this system by January 25, 2008.

4. Duplication is not involved except when liquidation action is postponed or otherwise delayed. Duplication cannot be avoided in these instances since a current status of loan account is necessary for administrative purposes. Similar information is not readily available to VA and may only be obtained from the holder or servicer of the loan.

5. Small businesses are involved, however, the information is the minimum required to verify the status of a loan at liquidation.

6. The information is generally collected only once per loan termination.

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 September 27, 2007, pages 54979-54980. There were no comments 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. The form letter includes no questions of a sensitive nature.

12. Estimate of Information Collection Burden

a. Number of respondents is estimated at 30,000 per year.

b. Frequency of response is generally on occasion.

c. Annual burden is 15,000 hours.

d. The estimated average response time of 30 minutes is determined by field stations to be the average time spent by holders to compile, review, record and report the information requested. No wide variance in completion time is likely.

e. The total estimated cost to respondents is \$225,000.  
(15,000 x \$15 per hour)

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$121,450 Estimated Loan Guaranty processing cost for FY 2007  
(30,000 cases x 10 minutes x \$24.29 per hour  
(average Loan Guaranty field salary))

\$121,450 Total estimated cost to Federal Government

15. The decrease in burden hours is the result of fewer loans approaching foreclosure due to improved Foreclosure Avoidance Through Servicing (FATS) by VA Loan Service Representatives.

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

17. The collection instrument, VA Form Letter 26-567, may be reproduced and/or stocked by the respondents and veterans service organizations. This form letter 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 letter 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 Letter 26-567.

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. Collection of Information Employing Statistical Methods

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