

SUPPORTING STATEMENT FOR  
FOR VA FORM 26-6807, FINANCIAL STATEMENT  
(2900-0047)

A. JUSTIFICATION

1. VA Form 26-6807 is used for a variety of purposes in the VA home loan program when determinations of applicants' or obligors' creditworthiness are required.

The major use of the form occurs in release of liability and substitution of entitlement cases. Under the provisions of 38 U.S.C. 3714, the Department of Veterans Affairs (VA) may release original veteran obligors from personal liability arising from the original guaranty of their home loans, or the making of a direct loan, provided purchasers/assumers meet the necessary requirements, among which is qualifying from a credit standpoint. Substitution of entitlement is authorized by 38 U.S.C. 3702(b)(2) and prospective veteran-assumers must also meet the creditworthiness requirements.

VA Form 26-6807 may also be used to determine a borrower's financial condition in connection with efforts to reinstate a seriously defaulted guaranteed, insured, or portfolio loan.

In addition, the form may be used in determining the eligibility of homeowners for aid under the Homeowners Assistance Program, Public Law 89-754, which provides assistance by reducing losses incident to the disposal of homes when military installations at which the homeowners were employed or serving are ordered closed in whole or in part.

2. The form is completed by respondents (veteran-obligors and prospective assumers) in connection with the types of cases outlined in item 1 and evaluated by Loan Specialists in VA regional loan centers determine and recommend proper action based on the creditworthiness of the individuals. Without this information, data on income and credit, employment, assets, etc., would have to be individually developed in interview situations and would involve a lengthy process more burdensome to the respondent than the completion of the present form.

3. VA Form 26-6807 is available on the One VA forms website at <http://www.va.gov/vaforms>. The respondent may save this form and then submit a copy of it electronically (via e-mail) to the VA official that requested the information.

4. The information is not contained in any other VA records. The form solicits financial information about prospective assumers and obligors and such information is not available elsewhere.

5. The collection of information does not involve small organizations.

6. The information collected is completed by respondents (veteran-obligors and prospective assumers) in connection with release of liability and substitution of entitlement cases. The data furnished on this form is essential for determinations of release of liability and substitution of entitlement cases. The collection is generally conducted only once.

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 January 22, 2008, Volume 73, Number 14, page 3806 and April 7, 2008, Volume 73, Number 67, pages 18855-18856. There were no comments.

9. Decisions to provide any payment or gift to respondents do 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. Number of respondents is estimated at 8,000 per year.

b. Frequency of response is on occasion.

c. Annual burden is 6,000 hours.

d. The response time of 45 minutes is based on review by experienced Loan Guaranty personnel and previous usage of the form.

e. The total estimated cost to respondents is \$90,000 (6,000 hours x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Cost to the Federal Government

\$48,580 Estimated Loan Guaranty processing cost for FY 2008  
(8,000 cases x 15 minutes x \$24.29 per hour (average Loan Guaranty field salary))

\$48,580 Total estimated cost to the Federal Government

15. There is a reduction in the burden due to reduced usage of this form. On more recent loans the private loan holders are authorized to process requests for release of liability, using their own form. This has resulted in a decrease in the number of cases handled by VA and a corresponding drop in the number of forms used as older loans are less attractive for assumption.

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

17. The collection instrument, VA Form 26-6807, 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 26-6807.

18. This submission does not contain any exceptions to the certification statement.

#### **B. STATISTICAL METHODS**

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