

SUPPORTING STATEMENT
REQUIREMENTS FOR INTEREST RATE REDUCTION REFINANCING LOANS
(2900-0601)

A. JUSTIFICATION

1. Pursuant to 38 U.S.C. 3710, VA may guarantee loans to veterans to refinance existing mortgage loans previously guaranteed by VA provided the veteran still owns the property used as security for the loan. Lenders must collect certain information concerning the veteran and the veteran's credit history (and spouse or other co-borrower, as applicable), in order to properly underwrite delinquent Interest Rate Reduction Refinancing Loans (IRRRLs). Under these requirements, VA requires that the lender provide VA with the credit information to assure itself that IRRRLs to refinance delinquent loans are underwritten in a reasonable and prudent manner.

2. This information is to be provided by the lender making the IRRRL so that VA may determine that the reasons for the delinquency on the original loan no longer exist and that the veteran is a satisfactory credit risk.

3. The Agency knows of no improved information technology that would reduce the burden on program participants. There are no technical or legal obstacles to reducing the burden.

4. This information collection does not duplicate any existing information collection.

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

6. The information collected is necessary in order for VA to be assured that Interest Rate Reduction Refinancing Loans being made to refinance delinquent VA-guaranteed loans are underwritten in a reasonable and prudent manner. The collection is generally conducted once 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 February 5, 2008 (Volume 73, Number 24) page 6769. 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) contained in the Privacy Act Issuances, 2001 Compilation.

11. There are no questions of a sensitive nature.

12. Estimate of Information Collection Burden

a. The number of respondents is estimated at 50.

b. Frequency of response is generally one time.

c. Annual burden is 25 hours.

d. The estimated response time of 30 minutes is based on the experience of Loan Guaranty personnel.

e. The total estimated cost to respondents is \$375 (25 hours x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$635 Total estimated cost to the Government (Loan Guaranty processing cost for FY 2008 (50 cases x 30 minutes x \$25.39 per hour (average loan guaranty field salary)

15. There has been a decrease in burden hours. This decrease is due to a reduction in the number of loans being made by program participants.

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

17. Not applicable.

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

B. Collections of Information Employing Statistical Methods

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