

SUPPORTING STATEMENT FOR VA FORM 26-1880,  
REQUEST FOR A CERTIFICATE OF ELIGIBILITY  
FOR VA HOME LOAN BENEFITS  
(2900-0086)

A. JUSTIFICATION

1. VA Form 26-1880 is used by VA to determine an applicant's eligibility for Loan Guaranty benefits, and the amount of entitlement available. Each completed form is normally accompanied by proof of military service and is submitted by the applicant to the appropriate VA office. If eligible, VA will issue the applicant a Certificate of Eligibility to be used in applying for Loan Guaranty benefits.

This form is also used in restoration of entitlement cases. Generally, if an applicant has used all or part of his or her entitlement, it may be restored if (1) the property has been sold and the loan has been paid in full or (2) a qualified veteran-transferee agrees to assume the balance on the loan and agrees to substitute his or her entitlement for the same amount of entitlement originally used by the applicant to get the loan. The buyer must also meet the occupancy and income and credit requirements of the law. Restoration is not automatic; an applicant must apply for it by completing VA Form 26-1880.

The Secretary is required by 38 U.S.C. 3702 (a), (b), and (c) to determine the applicant's eligibility for Loan Guaranty benefits, compute the amount of entitlement, and document the certificate with the amount and type of guaranty used and the amount, if any, remaining.

2. The form is completed by an applicant to establish eligibility for Loan Guaranty benefits, request restoration of entitlement previously used, or request a duplicate Certificate of Eligibility due to the original being lost or stolen. The information furnished on VA Form 26-1880 is necessary for VA to make a determination on whether or not the applicant is eligible for Loan Guaranty benefits.

3. VA developed an information technology solution for the eligibility process. VA deployed an Internet based application that permits lenders to obtain some eligibility determinations online. However, due to the complexity of the rules governing eligibility, there are still a significant number of cases requiring manual processing involving VA Form 26-1880. Since many applications for eligibility require supporting documentation from various branches of the service, it is not practical or feasible to collect the information electronically. In many cases, the information needed is not available in a soft copy format. VA Form 26-1880 is available at <http://www.va.gov/vaforms> so lenders can easily obtain one.

4. The information is not contained in any other VA records. The information contained on the form relates to an individual's eligibility status.

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

6. The information collected is completed by applicants to establish eligibility or request for restoration of entitlement. 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 January 31, 2008, page 5914. 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) contained in the Privacy Act Issuances, 2001 Compilation.

11. No questions of a sensitive nature are contained on the form.

12. Estimate of Information Collection Burden

a. The number of respondents is estimated at 250,000.

b. Frequency of response is generally one time.

c. Annual burden is 62,500 hours.

d. The estimated response time of 15 minutes is based on the experience of Loan Guaranty personnel and previous usage of the form.

e. The total estimated cost to respondents is \$937,500 (62,500 hours x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$871,563	Loan Guaranty processing cost for FY 2008 paper eligibility determinations/restoration of entitlement cases (171,635 cases x 12 minutes x \$25.39 per hour (average loan guaranty field salary))
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\$211,452	Loan Guaranty processing cost for FY 2008 electronic eligibility determinations/restoration of entitlement cases (49,969 cases x 10 minutes x \$25.39 per hour (average loan guaranty field salary))
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<u>\$ 1,800</u>	Estimated printing (\$24 per 1000).
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\$1,084,015	Total estimated cost to the Government
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15. There has been a decrease in burden hours, due to changing market conditions and a decrease in VA loan volume.

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

17. The collection instrument, VA Form 26-1880, may be reproduced and/or stocked by the respondents and veteran service organizations. The form does not display an expiration date, and if required to do so would result in unnecessary waste of existing stocks of this form. The 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 26-1880.

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

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

This data collection does not employ statistical methods.