

SUPPORTING STATEMENT FOR VA FORM 26-8736a
NONSUPERVISED LENDER'S NOMINATION AND RECOMMENDATION
OF CREDIT UNDERWRITER
(2900-0253)

A. JUSTIFICATION

1. Title 38, U.S. Code, Section 3702(d) provides for lenders to make automatic guaranteed loans if approved for such purpose and if the loans are made pursuant to the standards established by the Secretary of Veterans Affairs. The standards established by the Secretary require that a lender have a qualified underwriter review all loans to be closed on an automatic basis to determine that the loan meets VA's credit underwriting standards. To determine if the lender's nominee is qualified to make such a determination, VA has developed VA Form 26-8736a which contains information that VA considers crucial to the evaluation of the underwriter's experience. This form will be completed by the lender and the lender's nominee for underwriter and then submitted to VA for approval.

2. VA Form 26-8736a is submitted to VA by a non-supervised lender with the initial application for authority to close loans on the automatic basis or in connection with nominations of additional or new credit underwriters subsequent to approval. VA field personnel will review the form and notify the lender as to whether their nominee for underwriter is approved or disapproved.

3. VA Form 26-8736a is available on the One-VA website in a fillable electronic format. VBA is currently hosting this form on a secure server and does not currently have the technology in place to allow for the complete submission of the form. Validation edits are performed to assure data integrity. Efforts within VA are underway to provide a mechanism to allow the information to be submitted electronically with a recognized signature technology.

4. No duplication of information is involved. We know of no central data bank containing personal information on an individual's credit underwriting qualifications which would be updated routinely to reflect accumulated experience.

5. Small organizations are involved and to help minimize their burden, VA developed VA Form 26-8736a. The use of this form enables underwriters to summarize their relevant VA experience.

6. Collection of data occurs generally only once per respondent at the time a Non-supervised lender applies for authority to close loans on the automatic basis or for new or additional underwriters subsequent to approval.

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 October 12, 2010 at pages 62633-63634. There were no comments received in response to this notice.

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) 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 3,000 per year.

b. Frequency of response is on occasion.

c. Annual burden is 1,000 hours.

d. The estimated response time of 20 minutes is based on trial use with Loan Guaranty staff.

e. The total estimated cost to respondents is \$15,000.00
(1,000 hours x \$15 per hour)

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$ 34,950.00 Estimated Loan Guaranty Processing Cost for FY 2010
for both Field Station and Central Office

(Field Station – 1,500 cases x 20 minutes x \$27.24 per hour,
(average Loan Guaranty field salary))

(Central Office – 1,500 cases x 20 minutes x \$42.66 per hour,
(average Central Office salary))

\$ 65.00 Estimated printing cost (\$35 per 1,000 forms)

\$ 35,015.00 Total estimated cost to Federal Government

15. There is no change in burden hours.

16. Information collection is not for publication purposes.

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

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. STATISTICAL METHODS

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