

SUPPORTING STATEMENT – VA FORM 26-0785  
LENDER’S STAFF APPRAISAL REVIEWER (SAR) APPLICATION  
(2900-0658)

A. JUSTIFICATION

1. VA Form 26-0785 will be used to collect data necessary for the Department of Veterans Affairs (VA) compliance with the requirements of 38 U.S.C. 3702(d) and 38 CFR 36.4344. Title 38 U.S.C. 3702(d) authorizes VA to establish standards for lenders making automatically guaranteed loans and 38 CFR 36.4344 establishes requirements and procedures for lenders in being approved to perform the functions under the Lender Appraisal Processing Program (LAPP).

2. VA Form 26-0785 is used by employees of lenders making application, and by lenders to nominate employees, to be approved as a VA-approved Staff Appraisal Reviewer (SAR). VA General Counsel has determined that the granting of such approval constitutes the granting of a license. Lender SARs, once approved, are delegated the authority to review real estate appraisals and to issue Notices of Value (NOVs) on behalf of VA. These NOVs establish the reasonable value to be used in determining the maximum amount of a VA loan guaranty. The granting of this authority has direct impact on program integrity and the financial interests of VA, the veterans VA serves, and the United States Government.

Once approved, a SAR retains their original SAR Identification Number whenever changing employment. Whenever a SAR changes employment, they and their new employer must make the certifications on this form to VA as a way for VA to track where a SAR is employed and for what lender they are performing. This is a critical factor in VA’s program oversight. The information collected with this form will be used by VA only and will not be released except under provisions of law (Freedom of Information Act, subpoena, etc.).

3. This form is available on the One VA forms website at [www.va.gov/vaforms](http://www.va.gov/vaforms). Automated collection of the data by improved information technology is currently limited by the wide variations in lender’s systems.

4. This information is not contained in any other VA records. Similar information is not available elsewhere due to the program being unique to VA.

5. Some lenders may be considered as being small business. The very nature of LAPP minimizes the burden on small business by allowing them to control their loan processing in their normal fashion rather than submitting appraisals to VA for prior review and value determination.

6. VA has specific oversight requirements to ensure program integrity. Without this information, VA would not be able to track the location and business affiliations of program participants who are delegated authority to establish value determinations

that directly lead to loan guaranty which constitutes financial obligations to VA. The use of the form establishes a starting point from which to track SARs and serves as a certification that they possess sufficient knowledge to hold them accountable in the event of unacceptable performance.

7. There are no special circumstances that require the collection to be conducted in a manner that is inconsistent with the guidelines in 5 CFR 1320.6.

8. The Department notice establishing LAPP regulations was published in the Federal Register on February 15, 2011, pages 8847-8848. There were no comments in response to this notice.

9. Decisions to provide any payment or gift to respondents do not apply.

10. Loan Guaranty Fee Personnel and Program Participants Records – VA (17VA26) as set forth 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 1,000 per year.

b. Frequency of response is generally on occasion.

c. Annual burden is estimated at 83 hours.

d. The estimated response time of 5 minutes has been determined to be an average time spent to report the information requested and no wide variance is likely.

e. The total estimated cost to respondents is \$1,245.00 (83 hours X \$15 per hour).

13. This submission does not involve any record keeping costs.

14. Estimated Annualized Cost to the Federal Government

\$8,058 Estimated Loan Guaranty processing cost for FY11 (1,000 cases X 10 min. per case X \$48.35 per hour (average Loan Guaranty central office salary - GS-13 Step 5)).

15. There is no change in burden hours.

16. Information is not for publication purposes.

17. VA requests approval to omit the expiration date based on the small number of submissions anticipated. The form would not be expected to vary from its minimal information being collected and it is unlikely the form will be changed on anything approximating a regular basis. This form will be 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 26-0785.

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 Department of Veterans Affairs does not collect information employing statistical methods.