

**SUPPORTING STATEMENT FOR
VA FORM 26-6393, LOAN ANALYSIS
(2900-0523)**

A. Justification

1. VA Form 26-6393 is currently used by employees of both lending institutions and VA to determine the ability of a veteran-applicant to qualify for any type of VA-guaranteed loan authorized by 38 U.S.C. 3710(a). Lenders complete and submit the form to provide evidence that the lender's decision to submit a prior approval loan application or close a loan on the automatic basis is based upon appropriate application of VA credit standards as required by 38 U.S.C. 3710(b) and 3710(g).

2. The form will be completed by employees of lending institutions partially from information contained on other documents in the loan file. In addition, some items will be completed on the basis of mathematical calculations and underwriting judgment resulting from interpretation of VA credit standards (38 CFR 36.4337). VA employees will also be able to extract data from the completed form in order to expand the amount of information contained in VA's data bases; i.e., income and indebtedness amounts for veteran-borrowers.

3. This form is available on the One VA Forms Website (<http://www.va.gov/vaforms>) in a fillable electronic format. VBA is currently hosting this form on a secure server. The lender needs to complete the form and then print a copy. It is then submitted along with the loan package to the Regional Loan Center of jurisdiction if a review is necessary.

4. Program reviews were conducted to identify potential areas of duplication; however, none were found to exist. There is no known Department or agency which maintains the necessary information, nor is it available from other sources within our Department.

5. Small organizations are involved and VA Form 26-6393 is designed to help minimize their burden. The use of this form provides VA with evidence of the lenders' adherence to VA credit standards.

6. Without this information, VA could not accurately assess the lenders' adherence to VA credit standards.

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 19, 2012, pages 64385 - 64386. No comments were received.

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. The number of respondents per year is estimated at 250,000.

- b. Frequency of response is on occasion.
- c. Annual burden is estimated at 62,500 hours.
- d. The estimated average response time is 15 minutes and no adjustment is necessary.
- e. The total estimated cost to respondents is \$937,500 (250,000 responses x 15 minutes per response x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Cost to the Federal Government

\$255,375 Estimated Loan Guaranty Processing Cost for FY 2012
(37,500* cases x 15 minutes x \$27.24 per hour (average Loan Guaranty field salary))

\$255,375 Estimated cost to Federal Government

*Field stations request and review a percentage of loan files from lenders each year. This form is only processed during these instances. The FY12 estimate is 15%.

15. The burden hours increased based on an estimate of higher loan volume. Due to historically low interest rates, loan volume is increasing. A lower interest rate makes refinancing attractive and encourages new home loans. The majority of lenders have automated loan origination systems which facilitate completion of the form.

16. Information collection is not for publication purposes.

17. Not requesting exemption.

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

1. The data collection does not employ statistical methods.

2.