

SUPPORTING STATEMENT FOR VA FORMS 26-1805, and 26-1805-1
VA REQUEST FOR DETERMINATION OF REASONABLE VALUE
(2900-0045)

A. JUSTIFICATION

1. VA Form 26-1805 (fillable printable) and VA Form 26-1805-1 (computer-generated) are used to collect data necessary for VA compliance with the requirements of 38 U.S.C. 3710 (b)(4), (5), and (6) or 38 U.S.C. 3711. These requirements prohibit the VA guaranty or making of any loan unless the suitability of the security property for dwelling purposes is determined, the loan amount does not exceed the reasonable value, and if the loan is for purposes of alteration, repair of improvements, the work substantially improves the basic livability of the property.

2. Specifically, the data supplied by persons and firms completing VA Forms 26-1805 and 26-1805-1 are used to identify a property, request an appraisal, and the assignment of an appraiser. VA is required by 38 U.S.C. 3731(c) to determine the reasonable value of the property, construction, repairs or alterations and notify the veteran of such determination. A Notice of Value is issued by VA or lender's participating in the Lender Appraisal Processing Program to notify the veteran of the determination of reasonable value and conditional requirements.

3. Internet based – WebLGY automatically generates an appraisal request on VA Form 26-1805-1 for the requester. The requester, usually a lender or agent, following the prompts in the computer system inputs the required information. Upon completion, the requester enters “submit” and VA Form 26-1805-1 is generated which contains the case number, appraiser assignment, and property information which is automatically e-mailed to the appraiser and requester.

4. There is no duplication of information involved.

5. The information for completing the form is available from the preparer's client and no special research or equipment is required to obtain the necessary documentation in support of the appraisal request.

6. This information collection is not a recurring or repetitive report. The collection of information is accomplished only once per respondent.

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 September 27, 2013, volume 78, number 188, pages 59773-59774. No outside consultations were solicited because the form is being satisfactorily completed by the parties involved. No comments were received in response to this notice.

9. Decisions to provide any payment or gift to respondents does 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.

11. No sensitive questions appear on the form.

12. Estimate of Information Collection Burden

a. Number of respondents is estimated at 257,000 per year.

b. Frequency of response is generally one time.

c. Annual burden is 51,400 hours.

d. The estimated burden of 12 minutes per transaction has been determined by lenders to be an average time spent to report the information requested and no wide variance is likely.

e. According to the U.S. Bureau of Labor Statistics Average Hourly Earnings, the cost to the respondent is \$24, making the total cost to the respondents an estimated \$1,233,600. (51,400 hours x \$24 per hour)

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

There are no printing costs. VA Form 26-1805 can be downloaded from the VA website, and the completed VA Form 26-1805-1 can be downloaded from WebLGY, which is completed by the Lenders.

15. There is a decrease in burden hours due to a decrease in home purchases that require an appraisal.

16. Information collection is not for publication purposes.

17. We are not seeking approval to omit the expiration date for OMB approval.

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.