

SUPPORTING STATEMENT FOR
FOR VA FORM 26-6807, FINANCIAL STATEMENT
(2900-0047)

A. JUSTIFICATION

1. VA Form 26-6807 is used for a variety of purposes in the VA home loan program when determinations of applicants' or obligors' creditworthiness are required.

The major use of the form is to determine a borrower's financial condition in connection with efforts to reinstate a seriously defaulted, guaranteed, insured, or portfolio loan.

In addition, the form is used in determining the financial feasibility of a veteran or service member to obtain a home with the assistance of a Specially Adapted Housing Grant under 38 U.S.C., Chapter 21. Also, VA Form 26-6807 may be used to establish eligibility of homeowners for aid under the Homeowners Assistance Program, Public Law 89-754, which provides assistance by reducing losses incident to the disposal of homes when military installations at which the homeowners were employed or serving are ordered closed in whole or in part.

Finally, the form is used in release of liability and substitution of entitlement cases. Under the provisions of 38 U.S.C. 3714, the Department of Veterans Affairs (VA) may release original veteran obligors from personal liability arising from the original guaranty of their home loans, or the making of a direct loan, provided purchasers/assumers meet the necessary requirements, among which is qualifying from a credit standpoint. Substitution of entitlement is authorized by 38 U.S.C. 3702(b)(2) and prospective veteran-assumers must also meet the creditworthiness requirements.

2. The form is completed by respondents (veteran-obligors and prospective assumers) in connection with the types of cases outlined in item 1 and evaluated by Loan Specialists in VA Regional Loan Centers who determine and recommend proper action based on the creditworthiness of the individuals. Without this information, data on income and credit, employment, assets, etc., would have to be individually developed in interview situations and would involve a lengthy process more burdensome to the respondent than the completion of the present form.

3. VA Form 26-6807 is available on the One VA forms website at <http://www.va.gov/vaforms>. The respondent may save this form and then submit a copy of it via e-mail to the VA official that requested the information. The amount of forms submitted annually does not justify the cost of creating and maintaining a system. Therefore, this form cannot be submitted electronically.

4. The information is not contained in any other VA records. The form solicits financial information about prospective assumers and obligors and such information is not available elsewhere.

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

6. The information collected is completed by respondents (veteran-obligors and prospective assumers) in connection with release of liability and substitution of entitlement cases. The data furnished on this form is essential for determinations of release of liability and substitution of entitlement cases. The collection is generally conducted only once.

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 on November 18, 2013, Vol. 78, No. 222, page 69175 in the Federal Register. No comments were 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) contained in the Privacy Act Issuances, 2001 Compilation.

11. No sensitive questions appear on the form.

12. Estimated Cost to Respondents

a. Number of respondents is estimated at 3,000 per year.

b. Frequency of response is on occasion.

c. Annual burden is 2,250 hours.

d. The response time of 45 minutes is based on review by experienced Loan Guaranty personnel and previous usage of the form.

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 \$54,000 (2,250 hours x \$24 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Cost to the Federal Government

\$20,430 Estimated Loan Guaranty processing cost for FY 2013
(3,000 cases x 15 minutes x \$27.24 per hour (average Loan Guaranty field salary))

\$20,430 Total estimated cost to the Federal Government

15. The reduction in burden is due to continued reduction in usage of the form. A factor in the reduction is historic low interest rates, that make loan assumptions, for which this form is primarily used, not an attractive option. Since a person can obtain new credit at these low rates, it reduces the need to assume a loan to get a favorable interest rate. The form is being revised to provide applicants with clearer direction on how to determine if they are married for VA purposes.

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

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

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

B. STATISTICAL METHODS

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