

SUPPORTING STATEMENT

Department of Veterans Affairs (VA), Veterans Benefit Administration (VBA) Loan Guaranty (LGY) Lender Survey (2900-0711)

A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The mission of the VA Loan Guaranty Service (LGY) is to help Veterans and active duty personnel attain, retain and adapt homes in recognition of their service to our nation. The program offers many advantages to veterans, including no down payment and no mortgage insurance premiums. Since the program's inception in 1944, it has helped over 20 million veterans become homeowners. The program is administered by the Veterans Benefit Administration (VBA).

As part of the agency's continuing commitment to improve the services provided to veterans, LGY will conduct the VBA Loan Guaranty Service Lender Satisfaction Survey. The proposed effort will build upon previous VBA customer satisfaction surveys and will measure lender satisfaction with the various aspects of the VA LGY program.

In 2008, the Veteran, Lender, and Specially Adapted Housing (SAH) surveys were approved under a Blanket Agreement, Office of Management and Budget (OMB) Approval No. 2900-0711. The Veteran and Specially Adapted Housing surveys are being incorporated into another VA survey instrument and are no longer collected through this OMB number. Therefore, these surveys have been removed from this information collection.

The LGY Lender Customer Satisfaction survey is in this information collection request for FY 2014 and subsequent years (up to the expiration date of the survey clearance).

Survey of Lender Satisfaction with the VA Home Loan Guaranty Process (i.e. Lender Survey): Gathers satisfaction data from lending institutions that participated in VBA LGY program during the past fiscal year. [Note that the survey title will include the FY in which the loans were guaranteed; i.e. the FY 2014 Lender Survey will survey lenders who made 12 or more loans in FY 2013].

The results from this survey are a vital source of performance data for the LGY Program that is not available from other data sources.

This survey will be conducted per the legislative requirement set forth in Executive Order 12862. The Order mandates that government agencies set standards and seek to measure agency performance against such standards. This survey is also being conducted in concurrence with the

Government Performance Results Act (GPRA) and its requirements for improving customer service.

Specifically, VBA requires annual customer satisfaction information from lenders in order to gauge the ease by which the LGY Program can be utilized by the lending community as well as assess the level of lender satisfaction with the overall program. The survey data collected from lenders will be used by the LGY Program to make improvements to the Loan Guaranty process, which in turn, will enable lenders to serve veterans in the most efficient and effective way possible.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from current collection.

The information will be collected during the planned FY 2014 survey will be used by the Loan Guaranty office to determine lender satisfaction with the LGY Program. A major use of the data will be to formulate program and policy changes to ensure that beneficiaries are effectively served. In addition to using survey results to make program improvements, past analysis of LGY customer satisfaction data have allowed the VA to measure progress towards the agency's strategic performance targets, as outlined in the VA Strategic Plan. Information gathered from the LGY Customer Satisfaction Survey was also a key data source for the agency's Program Assessment Rating Tool (PART) score. Currently, there are no other means of evaluating lender satisfaction with the VBA LGY Program.

The lender survey informs the following LGY Performance Measures (as specified by the VA Strategic Plan) listed below.

FY14 CUSTOMER SATISFACTION SURVEYS: PERFORMANCE MEASURES

REQUIRED BY VA STRATEGIC PLAN

- Lender Survey: Percent of lender respondents who report they are satisfied with the overall VA Loan Guaranty Program: *“Overall, how satisfied are you with the VA loan guaranty program?”*

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

VBA LGY staff will develop, administer, and analyze the lender survey.

Lender Survey. The Lender survey will be administered online as a web-based data collection. This will maximize the timeliness, efficiency, and response rate of data collection from lenders. VA LGY staff has strong capabilities in programming and hosting surveys on the internet, and

maintains effective security and privacy procedures (e.g., unique passwords for respondents, data encryption) when designing and programming web surveys. The web address (URL) on which the survey will be hosted and accessed by respondents will be included in the materials sent to lenders advertising the survey. Lenders will then connect to the appropriate web page and complete the survey.

The reduction of respondent burden for the survey through reliance on technology is compliant with the Government Paperwork Elimination Act (GPEA).

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

As noted, the VBA conducted customer satisfaction surveys of the LGY Program in FY11. While these data sources provide a comprehensive snapshot of Lender satisfaction with the program for the periods indicated, the data are not current enough to provide the information required to meet the VBA's need to provide *annual* performance data as required by the requirements of P.L. 103-62, the Government Performance and Results Act of 1993 and Title 38 USC, §527, Evaluation and Data Collection.

Our review of available data suggests that no sources outside of VBA's LGY survey program are available that provide a reliable, representative sample of VA lenders.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

No small businesses or other small entities are impacted by this information collection.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

If the FY 2014 LGY Lender Customer Satisfaction Survey is not conducted, VBA will not be able to fulfill its performance measurement requirements as articulated by the requirements of P.L. 103-62, the Government Performance and Results Act of 1993 and Title 38 USC, §527, Evaluation and Data Collection. Furthermore, VBA would miss an opportunity to learn from lending partners about how to improve the home loan process to best serve the needs of America's veterans. The VBA would also lose an opportunity to track and document improvements or declines in LGY customer satisfaction and service delivery over time.

The design and administration of the suite of LGY Customer Satisfaction Surveys incorporates significant measures to minimize burden on respondents. (These specific measures are discussed in more detail in section 12). There are currently no technical or legal obstacles to reduce burden using the planned methods.

- 7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by OMB.**

There are no special circumstances that would require respondents to prepare or submit the documents outlined above, or respond in fewer than 30 days. The surveys will be designed and carried out with appropriate scientific rigor, and are intended to produce valid and reliable results that can be generalized to the universe of study.

- 8. Part A: If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on cost and hour burden.**

The 60-day Federal Register (FR) notice was published in Vol. 79, No. 20 on January 30, 2014, page 5029. There were no comments received in response to this notice.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payment or gift shall be provided to respondents.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

Respondents are assured that answers given will be kept private to the extent of the law and will be used for research purposes only. The information that respondents supply is protected by law (the Privacy Act of 1974, 5 U.S.C. 522a and section 5701 of Title 38 of the United States Code).

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private; include specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The survey instrument does not contain any questions of a sensitive nature.

12.

- a. Estimated Number of Respondents – 1006 (mortgage lenders)
- b. Frequency of Response – One-time
- c. Annual Burden hours – 251.50 hours
- d. Estimated Completion Time: 15 minutes (0.25 hrs.)

12e. The U.S. lender population is extremely diverse in terms of age, work experience and other factors typically associated with income. As no comprehensive profile of the earnings of lenders is publicly available, a reasonable strategy to estimate LGY program users’ income is to use Census data on the income of loan officers. The Department of Labor estimates the median hourly wage of loan officers—the targeted respondents for the Lender Survey—at \$28.76 in 2012.¹

| ESTIMATED MONETARY BURDEN, BY RESPONDENT GROUP | | | | |
|---|-----------------------|----------------------|-----------------------------------|-------------------------------|
| Population surveyed | Number of respondents | Estimate hourly wage | Average burden per response (hr.) | Total cost to all respondents |
| Lenders that made VA home loans in the past fiscal year | 1006 | \$28.76 | .25 | \$7,233 |

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- a. There is no capital, start-up, operation, or maintenance costs.
- b. Cost estimates are not expected to vary widely. The only cost is that for the time of the respondent (average of 15 minutes per respondent).
- c. There are no anticipated capital start-up cost components or requests to provide information.

¹ The median hourly wage of loan officers in 2012 is estimated by the Department of Labor at \$28.76. Source: *Occupational Employment and Wages, March 29, 2013* (Bureau of Labor Statistics). Accessed 10/31/2013 from <http://www.bls.gov/news.release/ocwage.htm>

14. Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The total cost to the Federal Government is estimated at \$36,201.08. The labor cost for conducting the survey is below.

The total VA Labor cost includes the development of the survey instrument, development of the sampling plan, review of the survey instrument by all stakeholders within LGY, locating of respondents, programming of the questionnaire for Web administration, questionnaire pre-test, validation, data processing, cleaning data file, project management and analysis and final reporting of survey results. The total time involved from start to finish of the entire survey project is estimated to take between 8 to 10 months.

The Lender Satisfaction Survey will be done utilizing only the internal resources of LGY, which primarily consists of a GS-14 level employee.

| TABLE 3: ESTIMATED COST TO THE FEDERAL GOVERNMENT | | |
|--|--------------|------------------|
| <i>Cost Item</i> | <i>Hours</i> | <i>Cost</i> |
| VA-Labor | 722 | 36,201.08 |
| TOTAL | 722 | 36,201.08 |

The VA Labor cost was estimated using a composite average salary and benefits figure of \$50.41 per hour.²

15. Explain the reason for any changes reported in Items 13 or 14 above.

VA leadership took on responsibility for conducting LGY’s Veteran Satisfaction, SAH Satisfaction, and SAH Non-Grantee surveys. These three surveys are currently part of the Voice of the Veteran initiative and are no longer collected under this OMB information collection number. LGY’s remaining survey responsibility is the Lender Satisfaction Survey, which is being submitted for clearance in this package. Additionally, LGY has personnel on staff who can administer the survey in-house, as opposed to through the assistance of a hired contractor. The increase in burden hours is due to increased lender participation in the Home Loan program.

² FY 2014 Budget Estimates

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Based on previous experience, Section 16A documents the proposed project plan for the tabulation and publication of survey data, including the analytical techniques and database management strategies to be employed. Following this, Section 16B provides an overview of the project timeline.

16A: TABULATION AND PUBLICATION

- **Collect Surveys and Monitor Response Rates**

During the survey field-period, the survey database will be analyzed as responses are received to ensure the currency of the name and address data file. While the database being used to administer the survey and compile the data includes a safeguard, which is designed to prevent multiple submissions from a single user, VA's staff will perform an additional audit to inspect and remove duplicate surveys that may have not been filtered automatically.

VA will host a password-protected website that will provide response rates from the web-based survey for the LGY Lender Customer Satisfaction Survey. Throughout the 12-week period that the survey will be fielded, data will be updated at a minimum on a weekly basis. VBA will review the response rates on a biweekly basis and generate ideas to increase the response rates.

- **Develop Prototype Reports**

Prototype reports will be developed for the survey. The process will involve a comprehensive review of reports from recent iterations of the Lender survey. VBA will determine the appropriate weighting methods (if any) for the national reports. Since the Lender surveys have been administered across numerous iterations, there are opportunities to utilize inferential statistics (e.g., logistical regression, discriminant function analysis, trend analyses) to predict program outcomes across time. The selection of analyses and report exhibits in the prototype reports will rely on the knowledge and experience of LGY staff.

Each prototype report will be developed with the end-user in mind, providing a clear explanation of findings. Each report will consist of the following sections:

- Executive summary
- Project methodology
- Survey results
- Appendices (e.g., copies of questionnaires and mailing materials).

VBA's staff will pretest automation routines for new designs in the prototype reports to ensure that report exhibits, graphics, and data tables can be reliably and accurately programmed for each report type. Development of the automated report system will consist of several concurrent tasks, including a data crosswalk of the survey iterations to map identical variables and response sets, SPSS syntax routines, and development of prototype report templates using Microsoft Excel. The report production timeline is presented in Table 4 (Project Schedule).

- **Revise Prototype Reports**

Based on discussions within LGY, the staff responsible for the survey will incorporate suggestions and changes/edits to the reports' content and layout and will produce a revised report for the LGY survey.

- **Submit "Live" Draft Reports**

The production of the draft report requires "quick" turnaround of data cleaning and automated report production. This section details the steps to be taken to produce draft reports for each of the LGY surveys using actual data from the survey administration. There are two significant subtasks involved in producing the draft report:

- Subtask 1: Clean and analyze survey data
- Subtask 2: Develop draft report.

Each of these subtasks is described below.

Subtask 1—Clean and analyze survey data. Shortly after the survey analysis process commences, LGY staff will examine the respondent data file to ensure that the data collection program is reading the surveys properly and that all of the variables are correctly placed and formatted. The sample data file will also be used to test the data cleaning programs. This process will identify any errors in the survey data collection process.

Once the final surveys have been collected and a raw ASCII data file has been produced, the process of creating SPSS data files will begin. An SPSS syntax program will be run to convert the ASCII data into separate SPSS data files representing each RLC and the national file. Each RLC's "raw" SPSS data file will be saved into its own sub-directory, and a copy of the original ASCII data file will be archived separately as a quality control measure. LGY staff will analyze the SPSS data files, including conducting frequencies, cross-tabulations, and quadrant analyses. The analyses will be geared toward providing LGY and other VBA staff with user-oriented results.

Subtask 2—Develop draft reports. A total of 2 draft reports will be produced based on data from the national file for the Lender survey. Using the automated report generation system, the data will be analyzed and key findings will be identified and summarized in the executive summary. Production of a draft report provides LGY staff an opportunity to assess the accuracy, quality, and utility of the report structure and content prior to production of all reports.

- **Submit Strategic Performance Data**

In accordance with the Government Performance and Results Act (GPRA), LGY has identified key elements from the customer satisfaction surveys that will provide strategic performance data for the VBA. Specific performance data that will be used will include but will not be limited to:

- Lender Survey: Percent of lender respondents who report they are satisfied with the overall VA Loan Guaranty Program: *“Overall, how satisfied are you with the VA loan guaranty program?”*

- **Conduct Briefing for LGY Management**

LGY staff tasked with the survey will develop data tabulations on survey highlights from the customer satisfaction survey and present the results informally to LGY staff. LGY staff will work closely with internal VBA staff to determine the most salient findings to present in the briefing.

- **Conduct Formal Briefing**

LGY staff will incorporate feedback, suggestions, and edits from internal LGY staff on the informal briefing to develop the final version of the briefing. Following this, LGY staff will provide one face-to-face, formal, professionally conducted briefing on the results of the surveys

to senior LGY and VBA management. LGY staff will supply 20 bound, color copies of the final reports, and 15-20 color copies of the briefing presentation.

- **Submit Final Reports**

The LGY staff will submit all reports in final form, incorporating suggestions from internal LGY staff where agreed. LGY staff will deliver bound color copies of the final survey reports, and CDs containing electronic copy of the reports, to each of the nine RLCs. LGY staff will send each RLC one package containing one copy of the National report from the survey. The report will also be posted to the VBA intranet.

16B: PROJECT TIMELINE

The major activities for the VBA LGY customer satisfaction survey project are structured by task, and are outlined below.

- Task 1: Print sample notification letters, envelopes, and reminder cards
- Task 2: Revise the Lender survey
- Task 3: Conduct cognitive labs and summarize results
- Task 4: Draw stratified random samples (where necessary)
- Task 5: Revise and finalize the survey mailing materials
- Task 6: Revise and finalize the survey questionnaires
- Task 7: Manage telephone assistance line
- Task 8: Host live Web surveys
- Task 9: Conduct surveys
- Task 10: Collect surveys and monitor response rates
- Task 11: Develop prototype reports
- Task 12: Revise prototype reports
- Task 13: Submit “live” draft reports
- Task 14: Submit strategic performance data
- Task 15: Conduct informal briefing on survey results
- Task 16: Conduct formal briefing
- Task 17: Submit final reports

Table 4 on the following page provides the timeline associated with each project task.

17. If seeking approval to omit the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

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

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB 83-I.

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

B. Collection of Information Employing Statistical Methods

This collection of information does not employ statistical methods.