

SUPPORTING STATEMENT FOR VA FORM 26-1880,  
REQUEST FOR A CERTIFICATE OF ELIGIBILITY  
FOR VA HOME LOAN BENEFITS  
(2900-0086)

A. JUSTIFICATION

1. VA Form 26-1880 is used by VA to determine an applicant's eligibility for Loan Guaranty benefits, and the amount of entitlement available. Each completed form is normally accompanied by proof of military service and is submitted by the applicant to the appropriate VA office. If eligible, VA will issue the applicant a Certificate of Eligibility (COE) to be used in applying for Loan Guaranty benefits. The expiration date placeholder has been added to the form.

This form is also used in restoration of entitlement cases. Generally, if an applicant has used all or part of his or her entitlement, it may be restored if (1) the property has been sold and the loan has been paid in full or (2) a qualified veteran-transferee agrees to assume the balance on the loan and agrees to substitute his or her entitlement for the same amount of entitlement originally used by the applicant to get the loan. The buyer must also meet the occupancy and income and credit requirements of the law. Restoration is not automatic; an applicant must apply for it by completing VA Form 26-1880.

The Secretary is required by 38 U.S.C. 3702 (a), (b), and (c) to determine the applicant's eligibility for Loan Guaranty benefits, compute the amount of entitlement, and document the certificate with the amount and type of guaranty used and the amount, if any, remaining.

2. The form is completed by an applicant to establish eligibility for Loan Guaranty benefits, request restoration of entitlement previously used, or request a duplicate COE due to the original being lost or stolen. The information furnished on VA Form 26-1880 is necessary for VA to make a determination on whether or not the applicant is eligible for Loan Guaranty benefits.

3. We have continued to enhance an information technology solution for the eligibility process. Veterans can obtain a COE online through the eBenefits application. Our enhancements permit an application to be made electronically in those instances where the COE cannot be issued immediately. Applicants can apply for a COE online, or complete a VA Form 26-1880. There may be limited instances due to missing data or other issues that a lender or veteran cannot obtain a COE online and must complete the hardcopy form. Presently, it's not mandatory that applicants use the electronic features and thus they can still complete VA Form 26-1880 to request a COE. We do however, expect the usage of the "hard copy" form to decline as more and more persons use the online applications.

4. The information is not contained in any other VA records. The information contained on the form relates to an individual's eligibility status.

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

6. The information collected is completed by applicants to establish eligibility or request for restoration of entitlement. The collection is generally conducted once per individual applicant.



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 January 16, 2014, Volume 79, No. 11, page 2940. No comments were received.

9. No payments or gifts to respondents have been made under this collection of information.

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 questions of a sensitive nature are contained on the form.

12. Estimate of Information Collection Burden

a. The number of respondents is estimated at 321,000.

b. Frequency of response is generally one time.

c. Annual burden is 80,250 hours.

d. The estimated response time of 15 minutes is based on the experience of Loan Guaranty personnel and previous usage of the form.

e. The total estimated cost to respondents is \$1,926,000. (80,250 hours x \$24 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

\$874,404	Loan Guaranty processing cost for FY 2013 paper eligibility determinations/restoration of entitlement cases (160,500 cases x 12 minutes x \$27.24 per hour (average loan guaranty field salary))
-----------	--

\$728,670	Loan Guaranty processing cost for FY 2013 electronic eligibility determinations/restoration of entitlement cases (160,500 cases x 10 minutes x \$27.24 per hour (average loan guaranty field salary))
-----------	---

<u>\$1,603,074</u>	Total estimated cost to the Government
--------------------	--

15. There is an increase in burden hours. Historically low interest rates, combined with the increase in Veterans that meet the eligibility requirement based on deployment or mobilization, has led to this increase. The expiration date placeholder has been added to the form.

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. There is no exception to the certification statement identified in item 19, "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-1.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

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