

**SUPPORTING STATEMENT FOR VA FORM 26-6705,
OFFER TO PURCHASE AND CONTRACT OF SALE, VA FORM 26-6705b,
CREDIT STATEMENT OF PROSPECTIVE PURCHASER,
AND VA FORM 26-6705d, ADDENDUM TO VA FORM 26-6705 (VIRGINIA)
(2900-0029)**

A. Justification

1. Under the authority of 38 U.S.C. 3720(a)(5) and (6) the Department of Veterans Affairs (VA) acquires properties for sale to the general public utilizing a private Service Provider. The Service Provider utilizes private listings and sales brokers to sell VA properties.

2. VA Form 26-6705 is used by the private sector real estate agent to submit an offer to purchase VA-acquired property on behalf of a prospective buyer. The form is prepared for each proposed contract submitted to the VA Service Provider. The form simplifies the selection process among competing offers and ensures that the offer selected provides the greatest value to VA using the “highest net return/cash equivalent value” (HNR/CEV) procedure. The procedure requires one or more calculations on each offer in order to convert it to a “net to VA” basis which can easily be compared to other offers, and thus enable VA to be sure that the highest real dollar offer is accepted. The sole purpose of the HNR/CEV is to determine which offer is the most financially advantageous to the VA and in turn, the taxpayers. This procedure is very similar to the calculation prepared on most private sector transactions in order to show the seller what he or she will receive as proceeds of sale.

If the offer to purchase is accepted, it then becomes a contract of sale. The form defines the terms of sale, provides the prospective buyer with a receipt for his/her earnest money deposit, eliminates the need for separate transmittal of a purchase offer, develops the contract without such intermediate processing steps, and furnishes evidence of the decision with respect to the acceptance of the contract as tendered.

VA Form 26-6705b is used as a credit application to determine the creditworthiness of a prospective purchaser in those instances when the prospective purchaser seeks VA vendee financing, along with VA Form 26-6705. In such sales, the offer to purchase will not be accepted until the purchaser’s income and credit history have been verified, and a loan analysis has been completed, indicating loan approval. Without this information, the creditworthiness of a prospective purchaser cannot be determined and the offer to purchase cannot be accepted.

VA Form 26-6705d is an addendum to VA Form 26-6705 for use in Virginia. It includes requirements of State law which must be acknowledged by the buyer at or prior to closing.

3. VA Forms 26-6705, 26-6705b and 26-6705d are made available to the public electronically, but may not be submitted electronically. The forms are contracts that require original signatures to be valid.
4. The information is not contained in any other VA records. Similar information is not available elsewhere.
5. Collection of information does involve small businesses (sales brokers). The forms are specifically designed to minimize the burden on small firms and require only the necessary information pertinent to purchase offer selection, creditworthiness of a prospective buyer, and simplifies the selection process among competing offers.
6. This information collection is not a recurring or repetitive report. It is accomplished only once per respondent, at or prior to loan closing. Without this collection, a determination of the best offer for a property and the highest HNR/CEV could not be made to determine the most financially advantageous purchase offer to the VA (VA Form 26-6705); the creditworthiness of a prospective buyer could not be determined and the offer to purchase could not be accepted (VA Form 26-6705b; and, proper acknowledgment of State law by the buyer at or prior to closing would not be made (VA Form 26-6705d)).
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 29th, 2014, Vol. 79, No. 19, Page 4814. 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 forms.
12. Estimate of Information Collection Burden
 - a. Number of respondents is estimated at:

VA Form 26-6705 – 30,000
VA Form 26-6705b – 22,000
VA Form 26-6705d – 1,500
Total – 53,500
 - b. Frequency of response is generally one time for each of the three (3) forms.

c. The total annual burden for all three forms is estimated at 17,458 hours:

VA Form 26-6705 – 10,000 hours

VA Form 26-6705b – 7,333 hours

VA Form 26-6705d - 125 hours

d. For reporting purposes an estimated average burden per respondent: 20 minutes average.

VA Form 26-6705 - 20 minutes

VA Form 26-6705b - 20 minutes

VA Form 26-6705d - 5 minutes

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 \$418,992 (17,458 burden hours x \$24 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimated Cost to the Federal Government

Not applicable (the three forms are used by the Service Provider).

15. There is no change in burden hours. The expiration date placeholder has been added to the forms.

16. The 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-I.

B. Collections of Information Employing Statistical Methods

1. This collection of information does not employ statistical methods.