

SUPPORTING STATEMENT FOR VA FORM 26-6381,  
APPLICATION FOR ASSUMPTION APPROVAL AND/OR  
RELEASE FROM PERSONAL LIABILITY TO THE  
GOVERNMENT ON A HOME LOAN  
(2900-0110)

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.**

VA Form 26-6381 is completed by Veterans who are selling their homes by assumption rather than requiring purchasers to obtain their own financing to pay off the loan. The data furnished on the form is essential to determinations for assumption approval, release of liability, and substitution of entitlement in accordance with 38 U.S.C. 3713(a) and 3714 and 3702(b)(2).

VA processes requests for assumption approvals in a manner similar to that used for releases of liability. Title 38 U.S.C., section 3713(a) provides that when a Veteran disposes of his or her interest in the property securing the loan, VA may, upon request, release the original Veteran-borrower from personal liability to the Government only if three requirements are fulfilled. First, the loan must be current. Second, the purchaser must assume all of the Veteran's liability to the Government and to the mortgage holder on the guaranteed loan. Third, the purchaser must qualify from a credit and income standpoint, to the same extent as if he or she were a Veteran applying for a VA-guaranteed loan in the same amount as the loan being assumed.

In substitution of entitlement cases, the Veteran-seller may have used all or part of their entitlement and to get that entitlement restored to purchase another home, the Veteran-transferee (buyer) must agree to "substitute" his or her entitlement for the same amount of entitlement the Veteran originally used to get the loan. The buyer must also meet the occupancy and income and credit requirements of the law.

**2. Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.**

Once VA is notified that a sale by assumption is pending or has been completed, and that the Veteran-seller seeks approval for the assumption and/or wishes to be released from personal liability and/or have his or her entitlement restored by substitution of entitlement, VA will send VA Form 26-6381 as part of a package for completion. The information collected on VA Form 26-6381 enables VA Loan Specialists to begin processing the Veteran's request and ultimately make a final determination of approval or disapproval.

**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 or responses, and the basis for the decision for adopting this means of collection). Also describe any consideration of using information technology to reduce burden.**

An electronic submission system would not be economically feasible at this time due to the limited number of respondents. We have placed the form on the OneVA Form website to facilitate Veterans who need it.

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

The information collected on VA Form 26-6381 is unique to VA and is not duplicated in other agencies' records or in other VA records.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB form 83-1) describe any methods used to minimize burden.**

The collection of information does not involve small business organizations.

**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.**

The information collected on this form is completed by Veterans who are selling their homes by assumption. The data furnished on this form is essential to VA in determining approval under 38 USC 3713. The collection is generally conducted only once.

**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 OPM.**

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. 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 prior to submission to OMB. Summarize public comments received in response to the notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on the cost and hour burden.** The Department notice was published in the Federal Register on October 2, 2014, Volume 79, No. 191, pages 59561 and 59562. One comment, docket number VA-2014-VACO-0001, dated November 29, 2014, was received. General comment stated “Good Idea”, and was submitted anonymously which did not allow for a response as no address was provided.

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

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

**10. Describe any assurance of privacy, to the extent permitted by law, provided to respondents and the basis for the assurance in statute, regulations, or agency policy.**

Information will be protected as described in the system of records notice, 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. 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.**

No questions of a sensitive nature appear on the form.

**12. Estimate of the hour burden of the collection of information:**

Estimate of Information Collection Burden

- a. The number of respondents are estimated at 250 per year.
- b. Frequency of response is generally one-time.
- c. Annual burden is 42 hours.
- d. The estimated response time is 10 minutes.
- e. According to the U.S. Bureau of Labor Statistics, Average Hourly Earnings are \$24, making the total cost to the respondents an estimated \$1,008.

**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 Item 12 and 14).**

This submission does not involve any recordkeeping costs.

**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 aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Estimated Cost to the Federal Government

\$1,497 Total estimated cost to the Government (Loan Guaranty processing cost for FY 2014 (250 cases x 10 minutes per case x \$35.92 per hour average Loan Guaranty field salary))

\$1,497 Total Estimated Cost to Government

**15. Explain the reason for any program changes or adjustment reported in Items 13 or 14 of OMB 83-1.**

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

**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.**

Information collection is not for tabulation or publication purposes.

**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 Submission,” of OMB 83-1.**

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

**B. Collections of Information Employing Statistical Methods**

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