

**Supporting Statement for Loan Guaranty
VA Loan Electronic Reporting Interface (VALERI) System
(2900- 0021)**

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 conducted an in-depth internal review of the entire Loan Administration process. As a result of this review, VA changed previous procedures which include: collections of information and record retention related to the increased authority of servicers to implement loss-mitigation options; processing of loan modifications; increased information reporting requirements for servicers; elimination of currently-required Notices of Intention to Foreclose; reduction in the amount of documentation provided to VA incident to refunding loans; significant reduction in reporting and recordkeeping burdens pertaining to legal proceedings, including bankruptcies and foreclosures; changes in the way servicers are permitted to file an election to convey properties to VA; provisions permitting claims to be filed electronically instead of paper submission; authorizing certain servicers to process releases of liability and partial releases; and permitting certain servicers the authority to process liquidation appraisals instead of VA and its appraisers. These forms will only be used in the event the system is not available for use by servicers.

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.

This information is provided by loan servicers. These amendments enabled VA to revise the Loan Administration process to reflect changes in the loan servicing industry in recent years, as well as advances in technology. VA has moved toward placing greater reliance on private-sector servicing in accordance with VA guidelines, with VA using advanced technology to oversee holder actions.

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.

The Agency has adopted advances in telecommunications and other technology to minimize the impact to the industry. A new internet-based reporting system has replaced the following OMB-approved forms: 26-6850, 26-6850a, and 26-6851,

26-0971, 26-8903, 26-1874 and 26-1874a, and 26-8778. These forms will only be used in the event the system is not available for use by servicers.

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.

There is no duplication of information involved.

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

The collection of information does not involve small businesses.

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.

Certain portions of this information collection consist of a monthly reporting burden of a servicer's portfolio. This collection is necessary in order for VA to responsibly meet its obligations to oversee loan holder actions.

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 require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

8. 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 Department notice was published in the Federal Register on July 22, 2016 page 47857-47858 81 FR 47857. No comments were received.

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 the collection of this information.

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

Privacy to the extent permitted by law is covered by VA System of Records Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records Specially Adapted Housing Applicants Records, and Vendee Loan Applicant Records – VA (55VA26).

11. Provide additional justification for any questions of a sensitive nature (Information that, with a reasonable degree of medical certainty, is likely to have a serious adverse effect on an individual's mental or physical health if revealed to him or her), 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 are contained on the form.

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

Estimate of Information Collection Burden

- a. The number of respondents is estimated at 260 per year.
- b. Number of electronic file per respondent (annual): 260
 - Number of bulk-load events: 567
 - Number of manual events: 140
 - Total Responses per respondent: 967
- c. Annual burden is 70 hours.
- d. The estimated average response time of 1 second per transaction is based on Loan Guaranty form usage experience.
- e. The respondent population is composed of servicers. VBA cannot make further assumptions about the population of respondents because of the variability of factors such as the educational background and wage potential of respondents.

Legally, respondents may not pay a person or business for assistance in completing the information collection and a person or business may not accept payment for assisting a respondent in completing the information collection. Therefore, there are no expected overhead costs for completing the information collection. VBA estimates the total cost to all respondents to be \$35,134.31 (\$30.60 per hour x 1148.18 hours).

- 99.00% are seamlessly reported between systems (67,600 files @ 5 cents per file)

Cost to respondents: \$35,134.31

- 0.80% are received via bulk upload (via the Servicer Web Portal (SWP)) (147,312 events @ 1 second each)

Cost to respondents: \$1,252.15

147,312 events @ 1 second each = 40.92 hours
 40.92 hours * \$30.60 per hour = \$1,252.15

- 0.20% are manually coded (via SWP) (35,806 manual events @ 1 minute each, 1,021 manual claims @ 30 minutes each)

Cost to respondents: \$33,882.16

35,806 manual events @ 1 minute each = 596.76 hours
 1,021 manual claims @ 30 minutes each = 510.50 hours
 1,107.26 hours * \$30.60 per hour = \$33,882.16

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).

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

Estimated Annualized Cost to the Federal Government

\$612,068	Loan Guaranty processing cost for 967 cases x 1 second x \$27.24 per hour average loan guaranty field salary
<u>\$ 0</u>	Estimated printing cost (\$0, available on internet)

\$612,068 Total estimated cost to the Government.

15. Explain the reason for any burden hour changes since the last submission.

Technology increase in VALERI has helped lower the respondent time. This enables transaction time to be faster and saving the government money. We still show the same number of respondents, but less time it is going to take.

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. VA Forms 26-6850, 26-6850a, and 26-6851 (OMB Collection #2900-0021), 26-567 (OMB Collection #2900-0131), 26-8903 (OMB Collection #2900-0381), 26-1874 and 26-1874a (OMB Collection #2900-0362), and 26-8778 (OMB Collection #2900-0251).

Information collection is not for tabulation or publication use.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not requesting exemption.

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 identified in item 19 "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

The information collection does not employ statistical methods. If statistical methods are employed, Part B must be completed.