

**Supporting Statement for VA Form 26-6381**  
**Application for Assumption Approval and/or Release from Personal Liability to the**  
**Government on a Home Loan**  
**OMB 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 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.**

This form is available in a fillable electronic format on the One VA forms website at <http://www.va.gov/vaforms>. VA has not developed an information technology solution for

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receiving this form because of its limited use. As such, an electronic submission system is not cost beneficial to the government at this time.

**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.**

Program reviews were conducted to identify potential areas of duplication; however, none were found to exist. There is no known Department or Agency which maintains the necessary information, nor is it available from other sources within our Department.

**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 or entities.

**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 OMB.**

There are no special circumstances that require the collection to be conducted in a manner that is inconsistent with the guidelines in 5 CFR 1320.6.

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**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 November 30, 2017, Volume 82, No. 229, pages 56856-56857. No comments were 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 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, regulation, or agency policy.**

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, 2014 Compilation.

**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.**

There are no questions of a sensitive nature.

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

- a. Number of respondents is estimated at 250 per year.
- b. Frequency of response is generally one-time.
- c. Annual burden is estimated at 42 hours.
- d. The estimated response time of 10 minutes has been determined to be an average time spent to report the information requested and no wide variance is likely.
- e. The total estimated cost to respondents is \$1,540.14 (42 hours X \$36.67 per hour).

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The Bureau of Labor Statistics (BLS) gathers information on full-time wage and salary workers. According to the latest available BLS data, the median weekly earnings of full-time wage and salary workers are \$1,224.00. Assuming a forty (40) hour work week, the mean hourly wage is \$36.67 based on the BLS wage code – “13-2072 Loan Officers.” This information was taken from the following website:  
<https://www.bls.gov/oes/current/oes132072.htm>.

Legally, respondents may not pay a person or business for assistance 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 \$1,540.14 (42 burden hours x \$36.67 per hour).

**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 Costs to the Federal Government:

Grade	Step	Burden Time	Hourly Rate	Cost Per Response	Total Responses	Total
11	10	10m	\$37.50	\$6.25	250	\$1,562.50
Overhead at 100% Salary						\$1,562.50
<b>Overhead costs are 100% of salary and are same as the wage listed above and the amounts are included in the total.</b>						
Processing / Analyzing Costs						\$0
Printing and Production Cost						\$0
Total Cost to Government						\$1,562.50

Note: the hourly wage information above is based on the hourly 2017 General Schedule (Base) Pay (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2017/general-schedule/>). This rate does not include any locality adjustment as applicable.

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The processing time estimates above are based on the actual amount of time employees of each grade level spend to process to completion a claim received on this form. The within-grade step (3) of each employee represents the average experience of employees within each grade.

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

There is no change in burden hours.

**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 is not for 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 Submissions,” of OMB 83-I.**

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

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

1. The data collection does not employ statistical methods.