

**SUPPORTING STATEMENT
VA REQUEST FOR DETERMINATION OF REASONABLE VALUE
OMB 2900-0045
VA FORMS 26-1805, and 26-1805-1**

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 26-1805 (fillable printable) and VA Form 26-1805-1 (computer-generated) are used to collect data necessary for VA compliance with the requirements of 38 U.S.C. 3710 (b)(4), (5), and (6) or 38 U.S.C. 3711. These requirements prohibit the VA guaranty or making of any loan unless the suitability of the security property for dwelling purposes is determined, the loan amount does not exceed the reasonable value, and if the loan is for purposes of alteration, repair of improvements, or the work substantially improves the basic livability of the property.

- 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.**

Specifically, the data supplied by persons and firms completing VA Forms 26-1805 and 26-1805-1 are used to identify a property, request an appraisal, and the assignment of an appraiser. VA is required by 38 U.S.C. 3731(c) to determine the reasonable value of the property, construction, repairs or alterations and notify the veteran of such determination. A Notice of Value is issued by VA or lender's participating in the Lender Appraisal Processing Program to notify the veteran of the determination of reasonable value and conditional requirements.

- 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.**

Internet based. WebLGY automatically generates an appraisal request on VA Form 26-1805-1 for the requester. The requester, usually a lender or agent, following the prompts in the computer system inputs the required information. Upon completion, the requester enters "submit" and VA Form 26-1805-1 is generated which contains the case number, appraiser assignment, and property information which is automatically e-mailed to the appraiser and requester.

- 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.**

This information collection is not a recurring or repetitive report. The collection is generally conducted once per individual applicant.

- 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 March 6, 2020, Volume 85, Number 45, pages 13238 and 13239. No comments were received.

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

Decisions to provide any payment or gift to respondents does not apply.

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), and Loan Guaranty Fee Personnel and Program Participant Reports – VA (17VA26) are contained in the Privacy Act Issuances, 2014.

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:

Estimate of Information Collection Burden.

- a. Number of respondents is estimated at 257,000 per year.
- b. Frequency of response is generally one time.
- c. Annual Burden Hours: 51,400 hours.
- d. Estimated Completion Time: 12 minutes per transaction has been determined by lenders to be an average time spent to report the information requested and no wide variance is likely.

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 \$1,466.80. Assuming a forty (40) hour work week, the median hourly wage is \$36.67 based on the BLS wage code – “13-2072 Loan Officers”. This information is taken from the following website: (http://www.bls.gov/oes/current/oes_nat.htm, May 2018).

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 the Federal government an estimated \$1,884,838.00. (51,400 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 Annualized Cost to the Federal Government are accessible through this link: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/RUS_h.pdf

Grade	Step	Burden Time	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
11	6	51,400	1.00	\$35.78	\$35.78	257,000	\$ 1,839,092.00
Overhead at 100% Salary							\$ 1,839,092.00
12	6	25,700	0.50	\$42.89	\$21.45	257,000	\$ 551,265.00
Overhead at 100% Salary							\$ 551,265.00
13	6	12,850	0.25	\$51.00	\$12.75	257,000	\$ 163,837.50
Overhead at 100% Salary							\$ 163,837.50
Processing / Analyzing Costs							\$2,554,194.50
Printing and Production Cost							\$ 0.00
Total Cost to Government							\$2,554,194.50

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

There is no change in burden hours or respondent time.

- 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 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.**

The expiration date placeholder is on the form.

- 18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.**

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

B. Collection of Information Employing Statistical Methods

The data collection does not employ statistical methods.