**SUPPORTING STATEMENT FOR VA FORM 26-8844**
**FINANCIAL COUNSELING STATEMENT**
**(2900-0270)**

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 26-8844, *Financial Counseling Statement* (fillable printable) is used to collect data necessary for VA compliance with the requirements in 38 C.F.R. 36.4600(d). Also see 38 U.S.C. 3733(a). 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, or improvements that 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.**

VA Form 26-8844 collects financial data to help VA's Loan Guaranty Service work with mortgage holders to help modify Veteran loans, so they do not result in foreclosure. If a Veteran wishes to avoid foreclosure and feels they are able to re-claim their home, the Veteran needs to first complete VA Form 26-8084, *Claim for Repurchase of Loan*. Under 38 C.F.R. 36.4600(d), the holder of a delinquent vendee account is legally entitled to repurchase of the loan by VA- when the loan has been continuously in default for 3 months and the amount of the delinquency equals or exceeds the sum of 2 monthly installments.

The information collected on VA Form 26-8844 will become part of a larger package (to include VA Form 26-8084) for VA's Loan Guaranty Service to analyze the financial ability of the delinquent borrower to secure a new repurchased loan through VA. If the Veteran is deemed financially viable, following repurchase by VA, the obligor(s) are notified in writing that VA has repurchased the loan, and the vendee account will be serviced and maintained by VA thereafter.

**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. Information technology for this form is not being used since a small number of forms are completed and returned each year. The cost of having a system for this form to be submitted electronically would not be cost effective. The form has been placed on the internet where the holder of a vendee account can download and complete.

**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.**

Small organizations are generally not involved.

**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. It is accomplished on a one-time basis per applicant.

**7. There 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 C.F.R. 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 February 23, 2021, Volume 86, No. 34, pages 11055-11056.

**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) are 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.**

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 5,000 per year.

b. Frequency of response is generally one time.

c. Annual burden is 3,750 hours.

d. The estimated burden of 45 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.

e. The respondent population is composed of Veterans or Lenders/Appraisers on behalf of Veterans. 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. Therefore, VBA used general wage data to estimate the respondents' costs associated with completing the information collection.

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 $1,465.60. Assuming a forty (40) hour work week, the mean hourly wage is $36.64 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, May 2019).

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 $137,400 (3,750 burden hours x $36.64 per hour).

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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:

| Grade | Step | Burden Time | Fraction of Hour | Hourly Rate | Cost Per Response | Total Responses | Total |
|---|---|---|---|---|---|---|---|
| 11 | 6 | 60 minutes | 1.00 | $31.17 | $31.17 | 3750 (hr) | $ 116,887.50 |
| Overhead at 100% Salary | | | | | | | $ 116,887.50 |
| 12 | 6 | 30 minutes | 0.50 | $37.36 | $18.68 | 3750 (hr) | $ 70,050 |
| Overhead at 100% Salary | | | | | | | $ 70,050 |
| 13 | 6 | 15 minutes | 0.25 | $44.42 | $11.10 | 3750 (hr) | $ 41,625 |
| Overhead at 100% Salary | | | | | | | $ 41,625 |
| **Overhead costs are 100% of salary and are the same as the wage listed above and the amounts are included in the total.** | | | | | | | |
| Processing / Analyzing Costs | | | | | | | $0 |
| Printing and Production Cost | | | | | | | $0 |
| Total Cost to Government | | | | | | | $ 228,563 |

Note: The hourly wage information above is based on the hourly 2021 General Schedule (Base) Pay (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/GS_h.pdf). This rate does not include any locality adjustment as applicable.

The processing time estimates above are based on the actual amount of time employees of each grade level spend to review each form received. The within-grade step (6) 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 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.**

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**

The data collection does not employ statistical methods.