**White Paper**

**OMB 2900-0406**

**VA Form 26-8937**

**Non-substantive/Non-material change**

OMB approved Circular 26-21-03 on January 2021. At the request of OMB, Loan Guaranty is submitting a copy of this Circular as a non-substantive/non-material change to OMB Control number 2900-0406, VA Form 26-8937. This will not require public notice or comment.

The purpose of this Circular is to announce enhancements to the Certificate of Eligibility (COE) for VA’s home loan guaranty program. These enhancements will enable lenders to expedite the loan origination process for certain Veterans who utilize their VA-guaranteed loan benefits.

VA continues to modernize the VA-guaranteed loan application process to promote speedy loan closings for Veterans and lenders. VA’s enhancements to the COE will eliminate the majority of instances in which lenders and VA will utilize VA Form 26-8937, *Verification of VA Benefits*, to verify a Veteran’s receipt of income from VA. Examples of this type of income include monthly compensation for a service-connected disability or non-service-connected pension. The enhancements will also streamline the process for those instances in which the form will still be used. Additionally, the COE enhancements should provide more certainty to lenders regarding whether to collect a funding fee from Veterans who are rated as eligible to receive compensation either as the result of a pre-discharge disability examination and rating or based on a pre-discharge review of existing medical evidence that results in the issuance of a memorandum rating . Finally, the enhancements should also help lenders understand when certain kinds of income should receive additional verification from VA.