

## **White Paper OMB 2900-0515**

The U.S. Department of Veterans Affairs (VA) Loan Guaranty Service (LGY) is undergoing a Loan Origination Transformation initiative to automate manual processes for lenders and LGY staff. The purpose of this White Paper is to describe the proposed data collection and process changes that LGY will implement as part of its first deployment milestone, scheduled for October 2022. Upon submission of this White Paper, LGY intends to submit a revised information collection request (ICR) for OMB Control Number 2900-0515 (Maintenance of Records), followed by a Circular.

The overall Loan Origination Transformation strategy includes the introduction of various Application Programming Interfaces (APIs) for use by lenders and LGY, in an effort to automate manual processes. Following OMB approval of the revised ICR and Circular, LGY intends to mandate the use of the new Loan Review API for lenders submitting records pursuant to 38 C.F.R § 36.4333(c). Additionally, LGY will allow for voluntary use of the new Pre-Close API. An overview of each API may be found below:

- The **Loan Review API** will provide lenders with an automated way to provide loan files to LGY when a loan has been selected by the VA for a Post Close Loan Review (PCLR): either a Full File Loan Review (FFLR) or a Closing Disclosure-Only (CD-Only) Review. The Loan Review API will also allow lenders to provide to LGY industry-standard datasets, which will prevent manual data entry by LGY loan specialists in completing the PCLR. Currently, lenders log into an LGY application (WebLGY) and upload loan review documents manually. The Loan Review API will enable this manual upload process to be automated for lenders and enable lenders to provide these documents to LGY while remaining in their own applications.
- The **Pre-Close API** is a tool that lenders can leverage prior to closing a VA loan. The Pre-Close API will provide lenders with feedback for the loan they are reporting to LGY regarding the anticipated funding fee amount due to VA, the guaranty amount the lender can expect from VA based on the loan terms communicated within the API, and the loan's conformance (or non-conformance) with VA policy and regulation. Currently, lenders do not receive feedback of this kind from LGY prior to loan closing. Use of the Pre-Close API will be voluntary for lenders and will not confer any kind of promise by VA or expectation to lenders of guaranty certainty.

Subject to OMB approval, VA anticipates collecting data of the following mortgage industry standard datasets by October 2022 (tentatively, pending approval): the Uniform Loan Application Dataset (ULAD) and the Uniform Closing Dataset (UCD). This data will pre-populate information that will enable LGY to complete PCLRs. To accomplish these data collection changes, LGY must submit a revised ICR associated with OMB Control Number 2900-0515, Maintenance of Records. Additionally, LGY must publish a Circular to advise the lending industry that when OMB approved (tentatively October 1), VA will require that lenders provide the ULAD and UCD when a loan is selected for a PCLR.