

**REPORTING STATEMENT**  
**Certification of Loan Disbursement, Verification of Deposit and Verification of**  
**Employment**  
**OMB 2900-0521**  
**VA FORMS 26-1820, 26-8497, 26-8497a**

**A. Justification**

- 1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.**

Under 38 U.S.C. 3710(b)(2) and (3), a loan may not be guaranteed unless the Veteran is a satisfactory credit risk. The statute also requires that VA set forth in regulatory form standards to be used by lenders in underwriting VA-guaranteed loans and obtaining credit information. These standards are set forth at 38 CFR 36.4340.

38 U.S.C. 3710(a)(1) through (10) requires that the lender ensure and certify that the purpose of the loan meets the purpose outlined in the statute.

38 U.S.C. 3703(c) (1) and (3) requires that the lender ensure that the terms of the loan are mutually agreed upon and the discount points charged to the Veteran are reasonable. 38 CFR § 36.4307(a)(4)(i) outlines the maximum amount of discount points that may be financed for an Interest Rate Reduction Refinancing loan (IRRRL) transaction. In addition, 38 U.S.C. 3703(d)(1) and (2) outline the maximum loan term that is possible for any VA type loan.

Any VA adjustable-rate mortgage (ARM) must meet the requirements found in 38 U.S.C. § 3707 and 38 CFR § 36.4312(d). Lenders are only permitted to utilize certain index and term.

38 U.S.C. 3704(c) and 38 U.S.C. § 3710(e)(1)(F) require that the Veteran's certifies that they meet the occupancy requirements or previously met the occupancy requirements.

38 U.S.C. § 3703(d)(3) requires that the VA guaranteed, or direct loan is in first lien position except in specific scenarios outlined in 38 CFR § 36.4355.

Per 38 U.S.C. § 3702(d) and 38 CFR § 36.4352(b)(13) lenders with automatic authority may close loans with agents provided they meet certain requirements outlined and obtain VA's authorization. In addition, per 38 CFR § 36.4352(b)(2)

non-supervised lenders must have approved credit underwriters in order to close loans with automatic authority.

Under 38 U.S. Code § 3701(b)(4) and (5) certain Veteran's eligibility are contingent on continued service for the Veteran. In the case of Surviving Spouse's eligibility is contingent in cases on re-marriage per 38 U.S. Code § 103(d)(2)(B). In all three of these cases, the Veteran or Surviving Spouse must certify their continued eligibility at closing via the VA Form 26-1820 *Report and Certification of Loan Disbursement*.

They require lenders to collect certain specific information concerning the Veteran and the Veteran's credit history (and spouse or any other co-borrower, as applicable), to properly underwrite the Veteran's loan. Collection of this information is normal business practice for mortgage lenders.

Additionally, in order to participate in VA's home loan program, several certifications are required. Borrowers are required to certify that they will meet certain occupancy requirements and not violate the Fair Housing Act, and lenders are required to certify that they have met certain underwriting requirements. See 38 U.S.C. 3703, 3704, 3710; 38 CFR 36.4203, 36.4204, 36.4206, 36.4223, 36.4307, 36.4340, 36.4352, 36.4368, 36.4392.

Some of the items collected are currently collected via OMB Control #2900-0144. The VA requests that OMB Control #2900-0144 and VA Form 26-1802a *HUD/VA Addendum to the Uniform Residential Loan Application* end upon approval of this revised collection request. The VA Form 26-1820 was revised to include items collected on the VA Form 26-1802a.

**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 requires the lender to provide VA with the credit information as reflected on the VA 26-1820 *Report and Certification of Loan Disbursement* to ensure that applications for VA-guaranteed loans are underwritten in a reasonable and prudent manner. Much of the information collected on this form is obtained by the lender through the normal course of business.

In this information collection request VA has revised the VA Form 26-1820 to include additional fields and certifications. The fields added are already collected by the routinely by the lender and do not add an undue burden to the lender. In addition, certifications that are to be provided to the Veteran were added that were included in OMB Control # 2900-0144.

a. VA Form 26-1820 is used for loans closed on the prior approval and automatic basis. It is used by lenders closing VA loans under 38 U.S.C. 3710 and thereby complies with the provisions of 38 U.S.C. 3702(c) which requires lenders to report to the Secretary on loans guaranteed or insured.

b. VA Forms 26-8497 and 26-8497a are used to collect data necessary for VA compliance with the requirements of 3710(b)(2) and (3). These requirements prohibit VA from guaranteeing or making any loan unless the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the Veteran's present and anticipated income and expenses and that the Veteran is a satisfactory credit risk. Lenders may use this form or optionally may provide alternative documentation reflects the same information. Each of these forms is used by VA staff for the direct lending programs.

VA Form 26-8497 *Request for Verification of Employment* is used by lenders and VA staff to verify a loan applicant's income and employment information when making guaranteed, direct, and insured loans. VA Form 26-8497a *Request for Verification of Deposit* is primarily used by lenders and VA staff making guaranteed, direct and insured loans to verify deposits of applicants in banks and other savings institutions. Each of these forms are filled out by the requestor and the receiver (the employer or depository).

**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.**

VA Forms 26-1820, 26-8497, and 26-8497a are currently available on the One-VA website in a fillable electronic format. VBA is currently hosting this form on a secure server. The 26-1820 is prepared at loan closing while the 26-8497 and 26-8497a are prepared during the underwriting review. VA allows lenders to use alternative documents in lieu of 26-8497 and 26-8497a that may include electronic verifications.

Presently, when VA requests a loan package for an audit, the lender uploads the requested documents necessary to complete the review via the secure VA system (WebLGY). VA is requesting that lenders start

uploading the Uniform Loan Application Dataset (ULAD) as part of the audit review package. The ULAD is an XML dataset that in the normal course of business lender already obtains as it is a requirement for other agencies and GSEs.

**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.**

This information collection does not duplicate any existing information collection. Insofar as VA is potentially liable to the extent of the guarantee for each loan, the Department has an interest in ensuring that each application for a VA-guaranteed home loan is underwritten in a reasonable and prudent manner, considering all the factors present for each Veteran-applicant.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

There is no additional burden on small business and other small entities. The collections of information are consistent with prevailing industry practices.

**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.**

Collecting credit information is standard business practice for lenders underwriting loans. The information collections are consistent with prevailing industry practices and are not unique to VA.

**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 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 09/19/22, Volume 87, No 138, pages 43386-43387.

- 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.

- 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:**

VA does not ascribe burden hours for information collected by lenders during the normal course of business or for notifications to the Veteran.

All guaranteed or insured loans require completion of the VA 26-1820; therefore, the number of annual responses is reflective of VA projected

guaranteed loans. The VA Form 26-8497 and VA Form 26-8497a are rarely used by lenders but are obtained by the VA's direct lending programs. It is noted that the VA staff do not complete the form in this instance but send to the applicant's financial institution or employer for completion.

Description of Information Collection	Frequency of Response	Total Annual Responses	Hours per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
VA Form 26-1820	1	800,000	0.33 (20 min)	266,667	\$38.74	\$10,330,679.58
VA Form 8497	1	2,000	0.17 (10 min)	333	\$38.74	\$12,900.42
VA Form 8497a	1	2,000	0.083 (5 min)	167	\$38.74	\$6,469.58
Total		804,000		267,167		\$10,350,049.58

The respondent population is composed of mortgage issuing entities. The Bureau of Labor Statistics (BLS) gathers information on full-time wage and salary workers. According to the latest available BLS data, the mean weekly earnings of full-time wage and salary workers are \$1,549.60. Assuming a forty (40) hour work week, the mean hourly wage is \$38.74 based on the BLS wage code – “13-2072 Loan Officers.” This information is taken from the following website:

<https://www.bls.gov/oes/current/oes132072.htm>, May 2021).

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 all respondents to be \$10,350,049.58 (267,167 burden hours x \$38.74 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 are accessible through this link:  
[https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/GS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/GS_h.pdf)

VA Form 8497							
Grade	Step	Burden Time	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
11	6	1	0.17 (10 min)	\$31.85	\$5.41 (0.17X31.85)	2,000	\$10,820
Overhead at 100% Salary							\$10,820
VA Form 8497a							
11	6	1	0.08 (5 min)	\$31.85	\$2.55 (0.08X31.85)	2,000	\$5,100
Overhead at 100% Salary							\$5,100
Processing / Analyzing Costs							\$15,920
Printing and Production Cost							\$0.00
Total Cost to Government							\$15,920

The processing time estimates above are based on the actual amount of time employees of the grade level spend to review the forms. With the exception of VA's direct lending programs, the cost of reviewing this form is contained in other approved control numbers (2900-0515). In the case of the VA Form 26-1820 no additional VA costs are associated as it is fully covered in 2900-0515. The burden hours for the VA Form 26-8497 and VA Form 26-8497 for VA staff only includes the time for review of the form for the direct lending program.

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

The burden for the VA form 26-1820 has increased since the last submission of the information collection request due to volume and the addition of fields.

The burden for the VA Form 26-8497 and VA Form 26-8497a was reduced since the last submission. While lenders are able to use these forms, they are not required to. Therefore, the primary usage is for VA's two direct lending programs.

**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.**

VA does not publish this information or make it available for publication.

**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**

This collection of information by the Veterans Benefits Administration does not employ statistical methods.