

**SUPPORTING STATEMENT**  
**Guaranteed or Insured Loan Reporting Requirements**  
**OMB 2900-XXXX**

**A. Justification**

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

This information collection package seeks OMB approval of information collection requirements currently found in VA regulations, but that do not appear to have previously been approved by OMB. VA statute requires lenders to report a guaranteed or insured loan to VA in such detail as the Secretary may prescribe. 38 U.S.C. 3702(c). In cases where the loan is guaranteed, the Secretary shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. Regulations codified at 38 CFR 36.4303 detail the requirements of lenders to report loans to VA in order to obtain evidence of the guaranty.

In § 36.4303(a), lenders with authority to automatically close VA-guaranteed loans are required to report such loans to VA not later than 60 days following full disbursement and with accompanying certifications outlined in subparagraphs (a) (1) through (3). If the lender reports the loan after 60 days, § 36.4303(f) requires the lender also submit a statement signed by a corporate officer of the lending institution which explains why the loan was reported late in order to receive evidence of guaranty.

For lenders without authority to automatically close VA-guaranteed loans, § 36.4303(c) requires each loan proposed to be made to an eligible Veteran to be submitted to VA for approval prior to closing. In addition, per § 36.4308 joint loans (loans where the obligors are a Veteran and someone other than their spouse) and in cases where the Secretary has determined the class must be submitted to VA for prior approval per 38 CFR § 36.4303(c), lenders are required to submit the loan to VA for prior approval in addition to reporting the loan following full disbursement. In these instances, a VA staff member issues a certificate of commitment prior to closing and evidence of guaranty following disbursement. The lender is still required to complete the 60-day late reporting statement to obtain the guaranty.

- 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.**

Lenders obtain information from borrowers in the normal course of business. VA does not ascribe burden hours to information provided by borrowers. Lenders then report information to VA for the purpose of obtaining evidence of guaranty.

While borrowers must meet certain requirements established by VA to qualify for the guaranty, lenders bear less risk because VA will pay the lender a portion of the loss (guaranty amount) if a homeowner defaults on his or her loan. The Late Reporting Statement is required on files submitted to VA 60 days or greater after the date of the loan closing as required per § 36.4303.

The lender or VA staff member will complete the guaranty screens based on information obtained from documents in the loan file completed through the normal course of business. The documents include the Report and Certification of Loan Disbursement (OMB 2900-0521), the Certificate of Eligibility, Uniform Residential Loan Application, VA Form 26-6393 (OMB 2900-0523), Automated Underwriting System, Closing Disclosure, Note, and if applicable: VA-Guaranteed Home Loan Cash-Out Loan Comparison Disclosure (OMB 2900-0875), Interest Rate Reduction Refinancing Loan Worksheet (OMB 2900-0386). Upon completion of the screens the Loan Guaranty Certificate will populate in the correspondence screen.

- 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.**

Each loan report has its own unique characteristics of property, mortgage amount, and borrower; therefore, the use of computers can only be applied to the storage and retrieval of reference information and not to the burden-reduction aspect. However, much of the information collected by VA in its electronic systems is increasingly generated by proprietary loan origination systems (LOS), if purchased or licensed by the lender.

VA is currently exploring improvements in technology that would enable lenders to provide certain information electronically to VA that would reduce manual reporting requirements.

- 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.**

The information is not contained in any other VA records. Similar information is not available elsewhere.

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

The information collected does not have a significant economic impact on a substantial number of small entities. The collection is typical across the mortgage industry and would not create an undue burden to small business.

**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 of information is through electronic submission and is accomplished only once per respondent. This collection is necessary to identify the individual case to ensure VA has met all legal requirements concerning the automatic issuance of the Loan Guaranty Certificate or a manual guaranty certificate in the case of VA issues Loan Guaranty Certificates.

**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.**

This collection requires respondents to report information more often than quarterly. The reporting burden is loan-specific and, thus, cannot be conducted less frequently than on every single loan submitted to VA for guaranty. It does not otherwise involve special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

**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 9, 2022, Volume 87, No 46, pages 13371 and 13372.

**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.**

There are no questions of a sensitive nature.

**12. Estimate of the hour burden of the collection of information:**

The burden collection is variable based on the loan type and submission type. The collection burden is less for Interest Rate Reduction Refinancing Loans (IRRRL) as compared to either purchases or cash-out transactions. Due the nature of cash-out transactions, they have the highest burden as additional information must be collected to ascertain if the transaction meets the requirements in 38 U.S.C. § 3709(d).

The burden is reduced for prior approval loans as VA staff complete the electronic screens in WebLGY. The lender in these cases only uploads the required documents to the portal.

| Description of Information Collection                          | Frequency of Response | Total Annual Responses | Hours per Response | Annual Burden Hours | Hourly Cost | Total Annual Cost |
|--|-----------------------|------------------------|--------------------|---------------------|-------------|-------------------|
| <b><i>Loans Guaranty Certificates issued by the lender</i></b> |                       |                        |                    |                     |             |                   |
| <b><i>Purchase Transaction</i></b>                             |                       |                        |                    |                     |             |                   |
| Reporting and certification                                    | 1                     | 400,000                | 0.17<br>(10 min)   | 68,000              | \$36.99     | \$2,515,320       |
| Late reporting statement                                       | 1                     | 20,000                 | 0.03<br>(2 min)    | 600                 | \$36.99     | \$22,194          |
| <b><i>Cash-Out Transactions</i></b>                            |                       |                        |                    |                     |             |                   |
| Reporting and certification                                    | 1                     | 160,000                | 0.25<br>(15 min)   | 40,000              | \$36.99     | \$1,479,600       |
| Late reporting statement                                       | 1                     | 8,000                  | 0.03<br>(2 min)    | 240                 | \$36.99     | \$8,877           |

| <i>IRRRL Transactions</i>                          |   |              |                 |        |         |             |
|--|---|--------------|-----------------|--------|---------|-------------|
| Reporting and certification                        | 1 | 240,000      | 0.08<br>(5 min) | 19,200 | \$36.99 | \$710,208   |
| Late reporting statement                           | 1 | 12,000       | 0.03<br>(2 min) | 360    | \$36.99 | \$13,316    |
| <i>Insurance Credit</i>                            |   |              |                 |        |         |             |
| Reporting and certification                        | 0 | Less than 10 |                 |        |         | 0           |
| Late reporting statement                           | 0 | Less than 10 |                 |        |         | 0           |
| <b>Loans Requiring Prior Approval for Guaranty</b> |   |              |                 |        |         |             |
| <i>All Transactions Types</i>                      |   |              |                 |        |         |             |
| Reporting and certification                        | 1 | 3,000        | 0.05<br>(3 min) | 150    | \$36.99 | \$5,548     |
| Late reporting statement                           | 1 | 150          | 0.03<br>(2 min) | 4.5    | \$36.99 | \$166       |
| <i>Insurance Credit</i>                            |   |              |                 |        |         |             |
| Reporting and certification                        | 0 | Less than 10 |                 |        |         |             |
| Late reporting statement                           | 0 | Less than 10 |                 |        |         |             |
| <b>Total</b>                                       |   | 843,150      |                 |        |         | \$4,755,229 |

- a. Number of respondents is estimated at 843,150 per year.
- b. Frequency of response is generally one time per transaction type.
- c. Annual Burden Hours: 67,452 hours.
- d. Estimated Completion Time: The average burden is .08 of an hour or 4.8 minutes. In each type of transaction, it is a different burden time. The late reporting certification is 2 minutes regardless of the transaction time. The Reporting and Certification for purchase is 10 minutes, cash outs 15 minutes and IRRRLS 5 minutes.
- e. The respondent population is composed of Loan Officers, VA used the mean hourly wage to estimate the respondents' costs associated with completing the information collection. It is noted that the definition of Loan Officer includes Loan Underwriters who in general complete this task.

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 was 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 their total cost to all respondents to be \$2,613,090.48 (67,452 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).**

There are no recordkeeping, capital, start-up or maintenance costs associated with this information collection.

**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.**

The annualized cost estimates for the Federal Government are based on a \$30.94 per hour cost that is based on a GS-11 staff review. The processing time estimates below are based on the actual amount of time employees of the grade level spend to process insurance credits, issue loan guaranty certificates for prior approval loans, and late reporting certifications. Printing, production and analyzing costs are not included as the certifications are submitted and stored electronically in the WebLGY.

VA does not review every file where a loan guaranty is issued or a late reporting certification is completed. The burden hours for those reviewed during the audit process is covered under OMB Control #2900-0515.

| Grade  | Step | Burden Time         | Hourly Rate | Cost Per Response | Total Responses | Total   |
|--|------|---------------------|-------------|-------------------|-----------------|---------|
| Overhead at 100% Salary  |      |                     |             |                   |                 |         |
| <i>Reporting and Certification for Loan Approval By Transaction Type</i> |      |                     |             |                   |                 |         |
| <i>Purchase</i>  |      |                     |             |                   |                 |         |
| 11   | 5    | 0.15 hours (10 min) | \$30.94     | \$4.64            | 1,500           | \$6,960 |
| Cash-Out Refinance   |      |                     |             |                   |                 |         |
| 11   | 5    | 0.25 hours (15 min) | \$30.94     | \$7.74            | 600             | \$4,644 |
| IRRRLs   |      |                     |             |                   |                 |         |
| 11   | 5    | 0.08 hours          | \$30.94     | \$2.48            | 900             | \$2,232 |

|   |    |                       |         |        |                 |             |
|---|----|-----------------------|---------|--------|-----------------|-------------|
|   |    | (5 min)               |         |        |                 |             |
| Overhead at 100% Salary   |    |                       |         |        |                 | \$13,836    |
| <i>Insurance credits</i>  |    |                       |         |        |                 |             |
|   | \$ |                       |         |        | Less than<br>10 | \$0         |
| Overhead at 100% Salary   |    |                       |         |        |                 |             |
| <i>Late reporting</i>   |    |                       |         |        |                 |             |
| 11  | 5  | 0.02 hours<br>(1 min) | \$30.94 | \$0.62 | 150             | \$93        |
| Overhead at 100% Salary   |    |                       |         |        |                 | \$93        |
| <b>Overhead costs are 100% of salary and are same as the wage listed above and the amounts are included in the total.</b> |    |                       |         |        |                 | \$13,929    |
| Processing / Analyzing Costs  |    |                       |         |        |                 | \$0         |
| Printing and Production Cost  |    |                       |         |        |                 | \$0         |
| Total Cost to Government  |    |                       |         |        |                 | \$13,929.00 |

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)

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

This is the first submission of this information collection request.

**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.