

SUPPORTING STATEMENT
Department of Veterans Affairs Servicing Purchase (VASP) program
OMB 2900-XXXX

Summary of New Collection

- The Department of Veterans Affairs (VA) is initiating a program, which will be named VA Servicing Purchase (VASP) for borrowers and VA-guaranteed loans that are facing foreclosure, and do not qualify for a traditional loss mitigation option.
- VA is requesting approval of a new information collection (IC) that is associated with servicers (and borrowers) preparing, executing, and providing the required loan documents to VA.
- VA currently has approval under OMB control number 2900-0021 (VA Loan Electronic Reporting (VALERI) IC) to collect various types of information regarding general loan servicing functions. The VASP program, however, necessitates the collection of additional information. Therefore, this IC is necessary to review and process requests for a VASP loan, as well as to conduct oversight of the program.

A. JUSTIFICATION

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

The Department of Veterans Affairs (VA) is initiating an expanded program using existing Refund provisions under 38 U.S.C. § 3732 and [38 C.F.R. 36.4320, Refunding of Loans in Default](#). This option will assist Veterans with VA-guaranteed loans who have defaulted on their mortgage loan and are facing foreclosure. Under this program, VA will exercise its statutory option to purchase the loan from the servicer and VA will hold the loan in VA's own loan portfolio. The servicer will prepare a modification of the loan to increase affordability for the Veteran. Servicers who participate in the program will document their efforts to assist the Veteran through a waterfall of existing loss mitigation options and, if requested, provide that documentation to VA. VA notes that it already has approval under OMB control number 2900-0021 (VA Loan Electronic Reporting (VALERI)) to collect various information regarding general loan servicing functions, including loan refunding. The VASP program, however, necessitates the collection of additional information. Therefore, this Information Collection is necessary to review and process requests for a VASP loan, as well as to conduct oversight of the program.

VA is requesting emergency processing under 5 CFR 1320.13 for this information collection as VA anticipates tens of thousands of Veterans that are impacted by the rising rate environment, requiring assistance after the sunset of

COVID-19 Refund Modification and will require VASP assistance to help avoid foreclosure of their homes.

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.

The information included in this Information Collection will be used by VA to review a servicer's determination that a Veteran borrower qualified for a VASP loan and to administer the payment to the servicer. While conducting loss mitigation activities, the servicer will, if appropriate, review a Veteran borrower for the VASP program and, if qualified, submit a VASP Event in the VALERI application. Consistent with standard industry practices for loan transfers, if VA notifies the servicer that the VASP Event is accepted, the servicer will send VA an Assignment of Mortgage (AOM) and a collateral package.

Servicers will review a delinquent loan for basic VASP qualifying criteria when:

- All home retention options available through the servicer have been exhausted;
- There is borrower engagement; and
- The borrower has indicated a willingness to resume payments and retain ownership of the home.

If the basic qualifying criteria are met, servicers will submit the VASP event to VA through the VA Loan Electronic Reporting (VALERI) system. Any loan that does not meet the criteria will be returned as not qualifying for VASP consideration.

In reporting the VASP Event to VA, the servicer will provide data elements outlined in the "VASP TPP Event" Bulk Upload Template and electronic copies of the following records:

- Ledgers/Payment Histories
- Tax and Insurance Information
- Payoff Statement
- Copies of Mortgage, Copies of Recorded Deed of Trust, and any other Documents to Support Obligors on Title
- Servicer confirmation that traditional loss mitigation options do not work for the Veteran (if applicable)
- A copy of the title search, confirming the VA-guaranteed loan is in first lien position.
- A copy of the Trial Payment Plan (TPP) offered to the borrower, if applicable.
- Permission from the courts, if the borrower filed a Chapter 13 Bankruptcy during the TPP, if applicable.

After the VASP Event submission, VALERI will review the submission and either accept or reject the Event. If VALERI rejects the Event, VA will not acquire the guaranteed loan under the VASP program and the servicer will be notified to either review the Event for errors or continue with pre-foreclosure activities.

If VALERI accepts the Event, the servicer will be notified and VA will issue payment to the servicer. The servicer will then draft the Loan Modification and send to the Veteran borrower for execution. The Veteran borrower will sign the Modification and return to Servicer.

In cases where a VASP loan necessitates completion of a 3-month Trial Payment Plan (TPP), VALERI will notify the servicer that the VASP Event is accepted conditional upon the successful completion of the TPP. After the TPP is completed, the servicer will upload information regarding the successful TPP and proceed in the same manner as above.

Once the signed modification(s) is received back from the Veteran borrower and the signed Assignment of Mortgage (AOM) is received back from the servicer, the AOM and modification (if applicable) will be recorded. The servicer will send the complete collateral package to VA and the loan will be boarded and acquired by VA.

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.

The servicer will discuss VASP qualifying criteria with the Veteran borrower via telephone, mail and/or email. The servicer will also rely on VA systems, i.e., VALERI, and their internal servicing systems for information about the guaranteed loan. The servicer will submit the VASP Event to VA via the VALERI application.

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. As noted above, VA already has approval under OMB control number 2900-0021 (VA Loan Electronic Reporting (VALERI)) to collect certain information regarding general loan servicing functions, including loan refunding. The VASP program, i.e., the VASP Event, necessitates the collection of additional program-specific information that is not duplicated in other approved Information Collections.

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

The collection of information does not involve small businesses.

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 collection is necessary for VA to implement the new VASP program. If the collection is not conducted, Veteran borrowers may lose out on this last chance opportunity to avoid foreclosure and remain in their home.

7. Are 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 CFR 1320.6.

8. If applicable, provide a copy and identify the date and page number of publications 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.

A 60-Day Federal Register Notice (FRN) for the collection published on (Day of the Week, Month Day, Year). The 60-Day FRN citation is (volume number) FRN (Page number).

A 30-Day Federal Register Notice for the collection published on (Day of the Week, Month Day, Year). The 30-Day FRN citation is (volume number) FRN (Page number).

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Decisions to provide any payment or gift to respondents does not apply.

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.

Privacy to the extent permitted by law is covered by VA System of Records Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records Specially Adapted Housing Applicants Records, and Vendee Loan Applicant Records – VA (55VA26) are contained in the Privacy Act Issuances, 2023 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 in this collection.

12. Estimate of the hour burden of the collection:

Estimate of Information Collection Burden

The VASP program is a new, permanent loss mitigation option. VA has therefore estimated how many VA-guaranteed loans may utilize the program in the first three years. VA notes that initial estimates are likely to be higher than future burden estimates as a result of pandemic-related forbearances.

	A	B	C (A*B)	D	E (C*D)	F	G (E*F)
Description of Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
<i>Submission Stage</i>							
Servicer preparation, review and submission of VASP Event	20,994	1	20,994	2.5	52,485	\$40.46	\$2,123,543.10
<i>Execution/Boarding</i>							
Servicer sends VA the AOM and collateral package	20,994	1	20,994	0.5	10,497	\$40.46	\$424,708.62
Veteran reviews and completes loan modification	20,994	1	20,994	0.25	5,249	\$29.76	\$156,210.24
Total	41,998	-	-	-	-	-	\$2,704,461.96

- a. Number of respondents: VA estimates the total number of respondents for the VASP program will be 20,994 annually.

b. Frequency of response: one time per VASP Event

c. Annual burden hours: VA estimates 68,231 annual burden hours. The breakdown between servicers and veterans is as follows:

Veterans: 5,249 hours

Servicers: 62,982 hours

d. Estimated Completion Time: 195 minutes per VASP Event. The breakdown between servicers and veterans is as follows:

Veterans: 15 minutes (to review, compile and submit requested docs, and execute new docs)

Servicers: 180 minutes (to review, compile, submit, and provide collateral file)

e. The respondent population is composed of Veterans and servicers pursuing a VASP loan. To estimate costs associated with servicer respondent burden, VA used the Bureau of Labor Statistics (BLS) mean hourly wage for loan officers (occupation code 13-2072) of \$40.46 per hour. To estimate costs associated with Veteran respondent burden, VA used the mean hourly wage for all occupations of \$29.76 per hour. This information is available at https://www.bls.gov/oes/current/oes_nat.htm.

Legally, respondents may not pay a person or business for assistance in completing the information collection. Therefore, there are no expected overhead costs for completing the information collection. VA estimates the total annual cost to all respondents to be as follows:

Veterans: \$156,210.24 (5,249 burden hours x \$29.76 per hour).

Servicers: \$2,548,251.72 (62,982 burden hours x \$40.46 per hour).

Total annual cost: 2,704,461.96

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).

There are no additional costs to lenders, servicers, holders, or other record keepers resulting from this collection.

14. Estimated Annualized Cost to the Federal Government

There is an annualized cost associated with two employees (loan technician and senior loan technician) reviewing the information as part of VA's oversight of the VASP program as follows:

Estimated Annualized Cost to the Federal Government

Estimate							
Grade	Step	Burden Time	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
11	6	15 mins	0.25	\$33.16	\$8.29	18,105	\$150,090.45
Overhead at 100% Salary							
12	6	15 mins	0.25	\$39.75	\$9.94	18,105	\$179,963.70
Overhead at 100% Salary							
13	6	15 mins	0.25	\$47.26	\$11.82	18,105	\$214,001.10
Overhead at 100% Salary							
Processing / Analyzing Costs							\$544,055.25
Printing and Production Cost							\$ 0.00
Total Cost to Government							\$544,055.25

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

This is a new information collection request, so there was not a previous submission.

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.

There is no exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

1. The Veterans Benefits Administration does not collect information employing statistical methods.