

SUPPORTING STATEMENT FOR VA FORM 26-8736a
NONSUPERVISED LENDER'S NOMINATION AND RECOMMENDATION OF
CREDIT UNDERWRITER
(2900-0253)

A. JUSTIFICATION

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

Section 3702(d) allows for certain lenders to make automatically guaranteed housing loans under 38 U.S.C. chapter 37. 38 U.S.C. § 3702(d). Automatic lending privileges eliminate the requirement for submission of loans to VA for prior approval. Lending institutions with automatic loan privileges may process and disburse such loans and subsequently report the loan to the Department of Veterans Affairs (VA) for issuance of guaranty. Those lenders include (1) any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State; (2) any State; or (3) any lender approved by the Secretary pursuant to standards established by the Secretary. *Id.* VA implemented those standards in 38 C.F.R. § 36.4352. VA refers to lenders described in 38 U.S.C. § 3702(d) (1) and (2) as supervised lenders. *See* 38 C.F.R. § 36.4352(a). Unsupervised lenders are those described in 38 U.S.C. § 3702(d)(3). *See* 38 C.F.R. § 36.4352(b). This collection addresses the underwriter requirements for those unsupervised lenders as found in 38 C.F.R. § 36.4352(b)(2) and (3).

Specifically, section 36.4352(b)(2) requires a senior officer of the applicant lender to nominate a full-time qualified employee(s) to act in the applicant lender's behalf as underwriter(s) to personally review and make underwriting decisions on VA loans to be closed on the automatic basis. 38 C.F.R. § 36.4352(b)(2). Nominees for underwriter must have a minimum of three years experience in processing, pre-underwriting or underwriting mortgage loans. *Id.* At least one recent year of this experience must have included making underwriting decisions on VA loans. *Id.* (Recent is defined as within the past three years.) *Id.* A VA nomination and current resume, outlining the underwriter's specific experience with VA loans, must be submitted for each underwriter nominee. *Id.* Alternatively, if an underwriter does not have the experience outlined above, the underwriter must submit documentation verifying that he or she is a current Accredited Residential Underwriter (ARU) as designated by the Mortgage Bankers Association (MBA). *Id.* If an underwriter is not located in the lender's corporate office, then a senior officer must certify that the underwriter reports to and is supervised by an individual who is not a branch manager or other person with production responsibilities. *Id.*

All VA-approved underwriters must attend a 1-day (eight-hour) training course on underwriter responsibilities, VA underwriting requirements, and VA administrative requirements, including the usage of VA forms, within 90 days of approval (if VA is unable to make such training available within 90 days, the underwriter must attend the first available training). *Id.* Immediately upon approval of a VA underwriter, the office of jurisdiction will contact the underwriter to schedule this training at a VA regional office (VARO) of the underwriter's choice. *Id.* This training is required for all newly approved VA underwriters, including those who qualified for approval based on an ARU

designation, as well as VA-approved underwriters who have not underwritten VA-guaranteed loans in the past 24 months. *Id.* Furthermore, and at the discretion of any VARO in whose jurisdiction the lender is originating VA loans, VA-approved underwriters who consistently approve loans that do not meet VA credit standards may be required to retake this training. *Id.*

To determine if the lender's nominee is qualified to make such a determination, VA has developed VA Form 26-8736a which contains information that VA considers crucial to the evaluation of the underwriter's experience. This form will be completed by the lender and the lender's nominee for underwriter and then submitted to VA for approval. If an approved underwriter leaves the lender, the lender should submit VA Form 26-8736a for approval of a subsequent underwriter.

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 Form 26-8736a will be submitted to VA by a non-supervised lender with the initial application for authority to close loans on the automatic basis or in connection with nominations of additional or new credit underwriters subsequent to approval. VA field personnel will review the form and notify the lender as to whether their nominee for underwriter is approved or disapproved.

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 Form 26-8736a is available on the VA Forms website in a fillable electronic format. VBA is currently hosting this form on a secure server. VA is currently exploring improved technology that would reduce the burden on program participants. Implementation of this technology would also include a mechanism for program participants to submit required fees to VA electronically.

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.

No duplication of information is involved. We know of no central data bank containing personal information on an individual's credit underwriting qualifications which would be updated routinely to reflect accumulated experience.

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

Small organizations are involved and to help minimize their burden, VA developed VA Form 26-8736a. The use of this form enables underwriters to summarize their relevant VA experience.

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.

Collection of data occurs generally only once per respondent at the time a non-supervised lender applies for authority to close loans on the automatic basis or for new or additional underwriters subsequent to approval.

7. 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 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 C.F.R. 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 at Vol. 88, No. 26 on February 8, 2023 at page 8343. There were no comments in response to this notice.

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.

VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 38, Code of Federal Regulations 1.576 for routine uses identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicants Records – VA, and published in the Federal Register.

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 on the form.

12. Estimate of the hour burden of the collection:

Estimate of Information Collection Burden

- a. Number of respondents is estimated at 1,500 per year.
- b. Frequency of response is generally one time.
- c. Annual burden is 500 hours.
- d. The estimated burden of 20 minutes per transaction has been determined by lenders to be an average time spent to report the information requested and no wide variance is likely.
- e. The Bureau of Labor Statistics (BLS) gathers information on full-time wage and salary workers. According to the latest available BLS data, the median 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 the total cost to the Federal government an estimated \$19,370 (500 hours x \$38.74 per hour).

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).

This submission does not involve any recordkeeping costs.

14. Estimated Annualized Cost to the Federal Government

There are no printing costs. VA Form 26-8736a can be downloaded from the VA website.

Grade	Step	Burden Time (min)	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
11	6	30	0.50	\$37.01	\$18.51	1,500	\$27,757.50
Overhead at 100% Salary							\$27,757.50
12	6	15	0.25	\$44.37	\$11.09	150	\$1,663.88
Overhead at 100% Salary							\$1,663.88
13	6	9	0.15	\$52.76	\$7.91	50	\$395.70
Overhead at 100% Salary							\$395.70

Processing / Analyzing Costs	\$29,817.08
Printing and Production Cost	\$ 0.00
Total Cost to Government	\$29,817.08

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

There are no changes in public burden hours.

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. Request to continue with an extension of an already approved collection for 3 years from the date of expiration.

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.