

SUPPORTING STATEMENT  
COVID-19 Refund Modification  
OMB 2900-0891

**Summary of Changes from the Previously Approved Collection**

- The IC is submitted as a revision due to a decrease in burden hours.
- No comments were received in response to the FRN notice.
- Title: Covid-19 Refund Modification.

A. JUSTIFICATION

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

VA is keeping this information collection open for resubmissions regarding the loan modification options available to servicers that do not require VA's prior approval to include the COVID-19 Refund Modification, to assist certain COVID-impacted veterans as they exit a COVID-19 forbearance. Under 38 U.S.C. 3720(a)(2), Congress has provided the Secretary with discretion "[n]otwithstanding the provisions of any other law" to set the terms and conditions to which the Secretary will consent to loan modifications. Additionally, while VA has outlined in regulation at 38 CFR 36.4315(a) the terms of loan modifications that do not require prior VA approval, VA may waive a regulatory requirement if VA finds the interest of the Government are not adversely affected and such waiver would relieve undue prejudice to a debtor, holder, or other person without impairing the vest rights of any person affected. 38 CFR 36.4338(a).

Under the COVID-19 Refund Modification, servicers will be able to combine a partial VA purchase (refund) that includes arrearages and, if needed, outstanding principal amounts (hereinafter known as a COVID-19 Refund) with a modification of the guaranteed loan terms to achieve an affordable loan payment for the veteran. Servicers who offer the COVID-19 Refund Modification will be required to originate a new loan repayable to VA and provide documentation to VA. This collection of information is necessary to ensure that the COVID-19 Refund is appropriately established as a loan repayable to VA.

Specifically, the servicer is required to prepare a note and security instrument in favor of "the Secretary of Veterans Affairs, an Officer of the United States." VA requires that the note be consistent with the terms described in the Circular and include all borrowers who are obligated on the guaranteed loan. The security instrument is required to include all non-borrowers who have an interest in the property securing the guaranteed loan.

The servicer is required to submit to the Secretary the request for COVID-19 refund within timelines prescribed in the Circular. VA also requires the servicer to provide VA with the original note no later than 120 days after the veteran exits forbearance; the servicer must also provide VA with the original security instrument and evidence of recordation not later than 180 days following

the date the security instrument is executed. If the recording authority causes a delay, VA allows the servicer to request an extension of time, in writing, from VA.

Finally, the servicer is required to report information related to the COVID-19 Refund Modification event to VA electronically; this information, however, has been included as a revision to an already approved information collection for VA's electronic loan servicing system (OMB control number 2900-0021).

**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 will be used by VA to determine if the veteran qualifies for a COVID-19 refund and, if qualified, to administer the payment.

**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.**

Provided a note and security instrument meet the legal requirements outlined in the Circular, they will be accepted by VA.

**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.

**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's COVID-19 Refund Modification option.

**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 CFR 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.**

A 60-Day Federal Register Notice for the collection published on Thursday, September 5, 2024. The 60-Day FRN citation is Volume 89 FRN 72713.

A 30-Day Federal Register Notice for the collection published on Thursday, November 14, 2024. The 30-Day FRN citation is Volume 89 FRN 90218.

**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



Grade	Step	Estimated Time	Hours	Rate	Response	Responses	
12	6		0.25	\$48.61	\$12.15	1,059	\$12,866.85
Overhead at 100% Salary							
13	6		0.25	\$57.81	\$14.45	1,059	\$15,302.55
Overhead at 100% Salary							
Processing / Analyzing Costs							
Printing and Production Cost							\$ 0.00
Total Cost to Government							\$28,169.40

Overhead costs are 100% of salary and are the same as the wage listed above and the amounts are included in the total. VA estimates no printing costs. The processing time estimates above are based on the actual amount of time employees of each grade level spend to process to completion an application for partial claim payment received on this form. The within-grade step (6) of each employee represents the average experience of employees within each grade.

Note: The hourly wage information above is based on the hourly 2024 General Schedule (Base) Pay ([RUS\\_h.pdf \(opm.gov\)](#)). This rate does not include any locality adjustment as applicable.

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

Burden hours decreased due to a decrease in the number of refund modifications.

**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.