

**SUPPORTING STATEMENT
CREATE PAYMENT REQUEST FOR THE VA FUNDING FEE PAYMENT
SYSTEM (VA FFPS); A COMPUTER GENERATED
FUNDING FEE RECEIPT
OMB 2900-0474
VA FORM 26-8986**

Summary of Changes from Previously Approved Collection.

- Create Payment Request for the VA Funding Fee Pay System.
- No changes were made to VA Form 26-8986 since the previous submission.
- VA notes that although the frequency of the estimated completion time is unchanged since the last revision. However, the annual burden decreased due to a reduction in the total number of respondents, which fell from 800,000 to 465,000 and is directly tied to the decrease in the volume of VA-guaranteed loans.
- 1 comment was received during the 60-Day comment period.

A. Justification

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

A funding fee must be paid to VA before a loan can be guaranteed. The funding fee is payable on all VA-guaranteed loans, i.e., Assumptions, Manufactured Housing, Refinances, and Real Estate purchase, and Construction loans. The funding fee is not required from Veterans who are eligible purple heart recipients, Veterans who are in receipt of compensation for service-connected disability, Veterans in receipt of compensation for service-connected disability, or Veterans who, but for receipt of retirement pay, would be entitled to receive compensation for their service-connected disability. Loans made to the certain surviving spouses of Veterans are exempted from payment of the funding fee, regardless of whether the spouse has his/her own eligibility. This funding fee is required by 38 U.S.C. 3729, 38 CFR 36.4232, and 36.4312.

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 are required to pay the funding fee in an Internet-based application, VA Funding Fee Payment System (FFPS), that permits lenders to pay the funding fee online to obtain a VA loan guaranty. The application calculates the appropriate fee, including any late fees and interest that may be due. Lenders may also choose to pay the funding fee via batch payment processing by uploading an XML file into FFPS.

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 to adopt 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 type, mortgage amount, and borrower; therefore, each loan must be processed once per closing.

In the future state, under this ICR, VA is developing a technological solution that will allow the lender to remit the funding fee in an existing Internet-based application, WebLGY, and issue the loan guaranty simultaneously. Lenders will have the option to complete a manual payment through this process or utilize an Application Program Interface (API) to deliver the information necessary to determine the appropriate funding fee. The information will be utilized to ensure that the correct funding fee, including any late fees and interest, is collected by VA. In addition, the lender will no longer be required to access two systems as part of the guaranty process.

As described above (response to question #2), lenders must currently process the funding fee payment in FFPS and then log into WebLGY to obtain evidence of guaranty, and the only option to reduce processing time is to upload a batch XML file to FFPS. Even then, they still must subsequently log into WebLGY and enter additional information to obtain evidence of guaranty for each individual loan following individual or batch payment processing via FFPS. 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 continues to explore 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.

All lenders participating in the VA loan guaranty program must use VA FFPS.

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 collection of the funding fee and to determine that the correct funding fee is remitted.

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 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 (FRN) for the collection published on Monday, February 2, 2026. The 60-Day FRN citation is 91 FRN 4790.

1 comment was received during the 60-Day comment period.

A 30-Day Federal Register Notice for the collection published on Friday, April 10, 2026. The 30-Day FRN citation is 91 FRN 18531.

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, published in the Federal Register on September 15, 2023.

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 sensitive questions appear on the input screen for VA FFPS.

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

Estimate of Information Collection Burden.

a. Number of Respondents: 465,000

b. Frequency of Response: One-time

c. Annual Burden Hours: 15,500 hours

d. Estimated Completion Time: 2 minutes

e. The respondent population is composed of Loan Officers. VBA used general wage data for Loan Officers to estimate the respondents' costs associated with completing the information collection. Data includes mortgage loan officers and agents, collection analysts, loan servicing officers, and loan underwriters.

The Bureau of Labor Statistics gathers information on full-time wage and salary workers. Accordingly, the median weekly earnings of full-time wage and salary worker is \$1,654. Assuming a forty (40) hour work week, the median hourly wage is \$41.35.

The general wage code 13-2072 for "Loan Officers" may be found by clicking this link: <https://data.bls.gov/oes/#/industry/000000>, effective May 2024.

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 \$640,925 (15,500 burden hours x \$41.35 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. Estimated Annualized Cost to the Federal Government.

Estimated Costs to the Federal Government are accessible through this link <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2026/general-schedule/>

The VA does not manually review each funding fee payment remitted; however, VA systems do validate payments before allowing the lender to obtain the VA Loan Guaranty Certificate. VA only reviews a selection through oversight functions. In addition, since VA is not inputting the information but is merely reviewing the information provided by lenders, the burden time for this process is currently less for VA than for lenders.

Grade	Step	Burden Time	Fraction of Hour Min./60	Hourly Rate	Cost Per Response	Total Responses	Total
11	6	1 min	0.0167	\$35.66	\$0.59	35,000	\$20,650.00
Overhead at 100% Salary							\$20,650.00
Overhead costs are 100% of salary and are same as the wage listed above, and the amounts are included in the total.							
Processing / Analyzing Costs							\$20,650.00
Printing and Production Cost							\$ 0
Total Cost to Government							\$20,650.00

The processing time estimates above are based on the actual amount of time employees of the grade level spend to process to completion a claim received on this form.

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

VA notes that although the frequency of the estimated completion time is unchanged since the last revision. However, the annual burden decreased due to a reduction in the total number of respondents, which fell from 800,000 to 465,000 and is directly tied to the decrease in the volume of VA-guaranteed loans.

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.