

**SUPPORTING STATEMENT FOR VA FORM 26-6725,  
OFFER TO RENT ON MONTH-TO-MONTH BASIS AND  
CREDIT STATEMENT OF PROSPECTIVE TENANT  
(2900-0143)**

**A. JUSTIFICATION**

1. VA Form 26-6725 is used to establish the landlord-tenant relationship when properties acquired by VA, through operation of the guaranteed and direct home loan programs, are rented. The rental and other management and disposition of VA-acquired properties are authorized by 38 U.S.C. 3720 (a)(6). VA may rent such properties when there is little likelihood, because of market conditions, of an early sale and/or prolonged vacancy may encourage vandalism. It is also the policy of VA to make acquired properties available to the Department of Defense for rental when such action does not impair the effectiveness of the VA sales program. VA Form 26-6725 is used for military rentals when, in lieu of a lease agreement with the military service, leases are executed with individual military personnel referred to VA by base commanders and housing officers. Additionally, VA acquired properties may be rented to victims of disasters declared by the President.

2. The form is used to state the responsibilities of the parties, evidence tender and acceptance of rental payment, and provide credit information for evaluating the prospective tenant's ability to meet rental payments. Offers to rent may be received and executed by Ocwen Loan Servicing LLC the service provider for property management services to VA. Without this form, individual leases would have to be prepared for each state in which a property is rented.

3. Use of improved information technology in gathering this information would be inappropriate for electronic development. The form requires that the applicant employ the assistance of Ocwen Loan Servicing LLC the VA service provider for property management services to complete. Submission of the form requires a deposit.

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

5. Small businesses are not involved, except to the extent that Ocwen Loan Servicing LLC's listing agents may participate in receiving rental offers. The individual applicant completes the forms.

6. VA entered into a contract with Ocwen Loan Servicing LLC who is the VA service provider for property management services. The contract requires that Ocwen Loan Servicing LLC use this form in rental situations. Collection is on occasion and occurs monthly per rental of a VA-acquired property. Offers to rent may be received and executed by Ocwen Loan Servicing LLC the VA service provider for property management services.

7. 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. The Department notice was published in the Federal Register on July 24, 2007, pages 40366-40367 (Volume 72, Number 141). Specific consultations outside the Department were not made since the parties involved are completing the form satisfactorily. No comments were received.

9. A decision to provide any payment or gift to respondents does not apply.

10. Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records-VA (55VA26) contained in the Privacy Act Issuances, 2001 Compilation.

11. No sensitive questions appear on the form.

12. Estimated of Information Collection Burden

a. The number of respondents per year is estimated at 100 per year.

b. Frequency of response is generally one time per rental.

c. Annual burden is estimated at 33 hours.

d. The estimated response time is 20 minutes, based on input from personnel with field station experience and no adjustment is necessary.

e. The total estimated cost to respondents is \$495 (100 responses x \$15 per hour).

13. This submission does not involve any recordkeeping costs.

14. Estimate of Cost to the Federal Government

a. Ocwen Loan Servicing LLC, the VA service provider who is performing the property management function will be absorbing almost all the processing time that was formerly performed by Federal employees. They are being paid a percentage of the selling price for each VA property. There will be no additional costs to the VA for rental agreements.

b. According to the property management services contract, Ocwen Loan Servicing LLC will request authorization from the VA Property Management Oversight Unit in Nashville before entering into a rental agreement on any VA-acquired property.

c. Estimated Loan Guaranty Processing Cost for FY 2007 \$591.75 (100 cases x 15 minutes per case x \$23.67 per hour (average Property Management Oversight Unit salary)).

15. There is no change in burden hours.

16. The information collection is not for publication purposes.

17. The collection instrument VA Form 26-6725 has been provided to the property management service provider electronically who will reproduce it. This VA form does not display an expiration date, and if required to do so it would result in unnecessary waste of existing stocks of this form. This form is submitted to OMB for approval every 3 years. As such, this date requirement would also result in an unnecessary burden on the respondents and would delay Department action on the benefit being sought. VA also seeks to minimize its cost to itself of collecting, processing, and using the information by not displaying the expiration date. For the reasons stated VA continues to seek an exemption that waives the displaying of the expiration date on VA Form 26-6725.

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

## **B. STATISTICAL METHODS**

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