

Supporting Statement for Loan Guaranty:
VA Loan Electronic Reporting Interface (VALERI) System
(2900- 0021)

A. JUSTIFICATION

1. VA conducted an in-depth internal review of the entire Loan Administration process. As a result of this review, VA changed previous procedures which include: collections of information and record retention related to the increased authority of servicers to implement loss-mitigation options; processing of loan modifications; increased information reporting requirements for servicers; elimination of currently-required Notices of Intention to Foreclose; reduction in the amount of documentation provided to VA incident to refunding loans; significant reduction in reporting and recordkeeping burdens pertaining to legal proceedings, including bankruptcies and foreclosures; changes in the way servicers are permitted to file an election to convey properties to VA; provisions permitting claims to be filed electronically instead of paper submission; authorizing certain servicers to process releases of liability and partial releases; and permitting certain servicers the authority to process liquidation appraisals instead of VA and its appraisers.

2. This information is provided by loan servicers. These amendments enabled VA to revise the Loan Administration process to reflect changes in the loan servicing industry in recent years, as well as advances in technology. VA has moved toward placing greater reliance on private-sector servicing in accordance with VA guidelines, with VA using advanced technology to oversee holder actions.

3. The Agency has adopted advances in telecommunications and other technology to minimize the impact to the industry. A new internet-based reporting system has replaced the following OMB-approved forms: 26-6850, 26-6850a, and 26-6851 (OMB Collection #2900-0021), 26-567 (OMB Collection #2900-0131), 26-8903 (OMB Collection #2900-0381), 26-1874 and 26-1874a (OMB Collection #2900-0362), and 26-8778 (OMB Collection #2900-0251).

4. This information collection does not duplicate any existing information collection.

5. There is no additional burden on small businesses and other small entities.

6. Certain portions of this information collection consist of a monthly reporting burden on a servicer's portfolio. This collection is necessary in order for VA to responsibly meet its obligations to oversee loan holder actions.

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 June 18, 2013, at page 36642. There were no comments received in response to this notice. VA works and consults with representatives of the loan servicing industry on an ongoing basis regarding the manner and amount of information collected on loans.

9. No payments or gifts are given to respondents by VA. In certain cases, servicers authorized to process loans under the automatic processing authority may be permitted to process releases of liability. In those cases, these servicers may collect processing fees from parties seeking the releases of liability for work performed.

10. 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).

11. There are no questions of a sensitive nature.

12. Estimate of Information Collection Burden

a. Number of respondents:	418
b. Number of electronic files per respondent (annual):	260
Number of bulk-load events	918
Number of manual events	<u>227</u>
TOTAL RESPONSES PER RESPONDENT	1555
c. Total annual burden hours:	113
d. Time per response:	1 second

Explanation of Calculation: *In the prior environment, the method of reporting was a manual, paper driven process. This process is automated, electronic data transfer process. Therefore, all time estimate calculations for data reporting are made using the current OMB respondent burden estimates as shown on the approved form. Current burden estimates are based on an estimate of 1 second per loan reporting instance since it is an automated data extraction and transfer process. The initial burden is the time required to create or modify a data extraction program to be run against their servicing system. The ongoing burden is the routine running of the data extraction and transfer routine. VA does not consider this to be a significant burden as most, if not all, servicers are already*

providing most of the data VA is requesting to other investors, insurers, or holders of the loans they service.

e. TOTAL COST TO RESPONDENTS: \$22,597.90

- 99.00% are seamlessly reported between systems (108,680 files @ 5 cents per file)

Cost to respondents: \$5,434

- 0.80% are received via bulk upload (via the Servicer Web Portal (SWP)) (383,724 events @ 1 second each)

Cost to respondents: \$1,598.85

383,724 events @ 1 second each = 106.59 hours
106.59 hours * \$15 per hour = \$1,598.85

- 0.20% are manually coded (via SWP) (59,020 manual events @ 1 minute each, 1,021 manual claims @ 30 minutes each)

Cost to respondents: \$15,565.05

59,020 manual events @ 1 minute each = 983.67 hours
108 manual claims @ 30 minutes each = 54 hours
1,037.67 hours * \$15 per hour = \$15,565.05

13. This submission does not involve any recordkeeping costs.

14. TOTAL COST TO THE FEDERAL GOVERNMENT: \$835,407.08

VA contracts for the VALERI service and approximately 20% of the contract cost is allocable to the functions of receiving electronic data from respondents. The total contract cost is \$4,177,035.40 for an average year, so 20% of this is \$835,407.08.

15. There was an increase in burden hours, from 70 hours to 113 hours. This is due to this is due to an increase in loans applied for.

16. This information collection is not for publication purposes.

17. VA is seeking approval to not display the expiration date for OMB approval of the information collection. The paperwork reduction notification will appear on visible screens within the VALERI application and an expiration date could present a false impression that the system will expire on that date.

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

B. STATISTICAL METHODS

This information collection does not employ any statistical methods.