

SUPPORTING STATEMENT FOR VA FORM 26-8844
FINANCIAL COUNSELING STATEMENT
(2900-0270)

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 Form 26-8844 (fillable printable) is used to collect data necessary for VA compliance with the requirements in 38 C.F.R. 36.4600(d). Also see 38 U.S.C. 3733(a). These requirements prohibit the VA guaranty or making of any loan unless the suitability of the security property for dwelling purposes is determined, the loan amount does not exceed the reasonable value, and if the loan is for purposes of alteration, repair of improvements, the work substantially improves the basic livability of the property.

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.

Under 38 C.F.R. 36.4600(d), the holder of a delinquent vendee account is legally entitled to repurchase of the loan by VA when the loan has been continuously in default for 3 months and the amount of the delinquency equals or exceeds the sum of 2 monthly installments. When requesting the repurchase of a loan, the holder uses VA Form 26-8084. Upon receipt of a holder's VA Form 26-8084, the supporting documents are examined to see that all of the documents required have been submitted and that they are sufficient to complete the repurchase. VA Form 26-8084 is compared with the settlement sheet prepared when the loan was sold and examined closely to establish that there are no errors in the holder's methods of computation for repurchase. Following repurchase by VA, the obligor(s) are notified in writing that VA has repurchased the loan, and the vendee account is serviced and maintained by VA thereafter.

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.

Information technology for this form is not being used since a small number of forms are completed and returned each year. The cost of having a system for this form to be submitted electronically would not be cost effective. The form has been placed on the internet where the holder of a vendee account can download and complete.

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.

Small organizations are generally not involved. VA Form 26-8084 is distributed to holders and information collected is the minimum needed to compute the holder's claim.

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. It is accomplished on a one-time basis per applicant.

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 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.

The Department notice was published in the Federal Register on 6/19/2019, volume 84, number 118, pages 28627-28628. One comment was received.

Comment: Comments for VA Form 26-8844

This form is convoluted, has too many sections which makes it hard to track and its severely outdated. Most of the items in the Expense section(s) should be deleted. In place, provide a blank expense section for consumers to write in their expenses, thereby making it easier for the consumer to track and follow. Form should also be simplified and divided into 2 simple sections:

1st - Income Statement (also known as Profit & Loss statement), includes your Income and Expenses.

2nd - Balance Sheet (which illustrates your total net worth), includes your Assets (bank accounts, stocks etc.), as well as long term assets (land, home(s), businesses) and Liabilities (credit card debt, auto loan(s), along with long term debt (mortgages) to gauge true net worth. Assets should state what they are worth today, NOT what you paid for them. The format of the statement should be standard, showing assets on the left and liabilities on the right. Net worth is also shown on the right, to balance the equation. Bottom line, form should be simple to input, read and understand.

Consumer must be able to understand basic accounting concepts, such as the difference between short- and long-term assets, or how depreciation is calculated differently in the cash flow and income statements. If you don't adopt new changes to the form, then make the following changes to update the form, but consider adopting new changes. Section 1: Item # 6 & 10 Remove the caption Include Area Code, everyone uses area code nowadays.

Item # 8 & 12 Remove this question Type of Work, No need to know the type of work they are performing, its irrelevant.

Item # 9 & 13 Remove this question Age of Homeowner & Spouse, Their age shouldn't disqualify them, its irrelevant?

Item # 14 Remove this question Name, Address, and Tele Number of Next of Kin is this necessary, folks may not want to list any? If necessary, explain why on the form.

Item #17 (Estimated Monthly Debts) Should be listed as Monthly/Quarterly Debt Payments and should only include the Major Monthly expenses/loans etc., where there is still a balance owed i.e. mortgages, vehicle payments, loans, furniture payments, child care, car & property insurance etc.

Section 2:

Item 20 (House Expenses) Should be all other monthly recurring home expenses i.e. cell phone, cable, water etc.

Nothing else needed here. (Most folks do not have monthly home maintenance, garden and pool maintenance bills).

Item 21 (Basic Family Expenses) - (combine with "Additional Family Expenses").

Item 22 (Additional Family Expenses) Eliminate all the expenses in this section and leave the area open/blank for the consumer to fill-in those expenses. Most folks would probably not have many of those expenses listed if they are filing a financial statement.

Item # 25 Add Net income, then subtract expenses to keep it simple. Income amounts should match your most recent income tax return. Finally, considering using one to the multiple "Apps" that are available nowadays. Using them will show you how "outdated" your form truly is.

For example - Using "Mint" is a great tool. Mint has more than 20 million users, and its easy to see why. For starters, the software is free to use, and it automatically syncs your financial accounts, so you can budget and track your spending all in one place, from balances and bills to credit score and more. Mint will also provide suggestions based on their spending. Here is their link: <https://www.mint.com/>

Loan Guaranty Service response: Hi Eric,

Loan Guaranty Service received your comment in regards to OMB 2900-0270 Financial Counseling Statement. Loan Guaranty Service always appreciates recommendations to our forms that may help improve how we collect information from the public, especially with the constant change to regulations. We strive to do our best to make the process efficient and easy for the public.

You provided an extensive list of recommendations. I have forwarded your recommendations to the Chief of Loan Administration to review and consider. If any of these changes are approved, be on the lookout for a public notice identifying the change.

I thank you again for your input and recommendations. Hope you have a great labor day weekend!

V/r,

Brian Lilley
Management Analyst
Loan Guaranty Service
1800 G Street NW
Washington, DC 20006

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.

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, 2014.

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 5000 per year.
- b. Frequency of response is generally one time.
- c. Annual burden is 3750 hours.
- d. The estimated burden of 45 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 respondent population is composed of Veterans or Lenders/Appraisers on behalf of Veterans. VBA cannot make further assumptions about the population of

respondents because of the variability of factors such as the educational background and wage potential of respondents. Therefore, VBA used general wage data to estimate the respondents' costs associated with completing the information collection.

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 \$1,466.80. Assuming a forty (40) hour work week, the mean hourly wage is \$36.67 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 2018).

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 \$183.35 (5 hours x \$36.67 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 26-8844 can be downloaded from the VA website.

Grade	Step	Burden Time	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
11	6	5	1.00	\$34.79	\$34.79	3750 (hr)	\$ 130,462.50
Overhead at 100% Salary							\$ 130,462.50
12	6	2.5	0.50	\$41.70	\$20.85	3750 (hr)	\$ 78,187.50
Overhead at 100% Salary							\$ 78,187.50
13	6	1.25	0.25	\$49.59	\$12.40	3750 (hr)	\$ 46,500.00
Overhead at 100% Salary							\$ 46,500.00
Processing / Analyzing Costs							\$ 255,150.00
Printing and Production Cost							\$ 0.00
Total Cost to Government							\$ 255,150.00

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

There is no change in burden hours or respondent time.

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.