

VA Guaranteed Home Loans

Satellite and Streaming Video Lender Training



**Eligibility
December 16, 2009**

Student Materials

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Course Objective and Outline

Course objective:

Our objective in this broadcast is that when we're done, you will be able to properly request, obtain, and evaluate Certificates of Eligibility obtained on line by you or by the veteran.

Outline

- I. Who is eligible?
 - A. Veterans, Active Duty, Reservist/NG, Unmarried Surviving Spouse, Other
 - B. Proof of Service
 1. Statement of Service
 2. DD-214
 3. Reservist Points
 4. Form 26-1817
 - C. Reservists called up: DD-214
- II. Means of obtaining a COE
 - A. Automated COE
 - B. Electronic Application (Uploading)
- III. Restoration
 - A. Regular
 - B. One-Time
 - C. Refinancing same property
 - D. Prior Loan Validation
- IV. Additional information on the COE
 1. Entitlement Codes
 2. Active Duty Certification
- V. Is an old COE still good?
 1. Change in active duty status?
 2. Prior Loans
- VI. Tour of Eligibility Center
- VII. Common Causes of Delay in receiving COE

PROOF OF SERVICE

DD-214

The DD-214 is the most common type of proof of service. It has been issued to veterans discharged from all branches of service since January 1, 1950.

What to look for?

- ✓ Veteran's name while in the service
- ✓ Branch of Service
- ✓ Service Number (SSN used in lieu of service number as of dates shown):
 - Army & Air Force – 7/1/69
 - Navy & Marine Corps – 1/1/72
 - Coast Guard – 10/1/74
- ✓ Social Security Number
- ✓ Date of Birth
- ✓ Dates of Service (entry date, discharge date, and net active service)
- ✓ Character of Service*
- ✓ Lost Time

NOTE: After October 1, 1979, the form was revised and veterans were issued a "Member-1" and a "Member-4" copy of the DD-214. The "Member-4" copy must be submitted with the VA Form 26-1880 as the character of service and time lost are listed on this form.

*Any one of the following may be listed in the Character of Service section of the DD-214:

Type of Discharge for Active Duty Veteran	Action
Honorable (HON)	Acceptable
Under Honorable Conditions (UHC)	Acceptable
General (GEN)	Acceptable
Other Than Honorable (OTH)	Requires Adjudication Review
Bad Conduct	Requires Adjudication Review
Dishonorable	Unacceptable

NOTE: The only acceptable character of service for a veteran who served in the Selected Reserves/National Guard is "HONORABLE".

DD-215 - The DD-215 is issued to correct any wrong information on a DD-214. When a veteran submits a DD-215, the DD-214 must also be included.

PROOF OF SERVICE

Proof of Service Prior to 1950

Prior to 1950, each branch of the service issued its own separate proof of service:

Army	WDAGO #53-55
Navy	NAVPERS-553
Air Force	WDAGO #53
Marines	NAVMC78

All required eligibility information is included on the above-listed types of separation forms. However, the information may be difficult to locate as the forms do not have a uniform format.

Certificate of Military Service

The Certificate of Military Service is issued to veterans by the National Personnel Records Center (NPRC) as a substitute for a copy of the actual discharge papers. NPRC issues this record because the original proof of service was lost or destroyed. This is an official document and can be used for verification of military service. It shows the entry date, discharge date and character of service.

ACTIVE DUTY

Statement of Service

A Statement of Service is required as proof of service when a veteran is serving on active duty or when a reservist continues to serve in the Selected Reserves. There is no official format, but it is usually prepared on military letterhead or is computer generated by the branch of service.

- An acceptable letter will show the veteran's name, service/Social Security number, date of birth, any lost time or breaks in service and date of entry into active duty or the Selected Reserves. If the Statement of Service does not reference any lost time, it should be assumed there was none.
- The character of service is not generally provided on this type of proof of service. When it is not stated, the character of service should be considered "Honorable".
- Finally, the letter should be signed by the adjutant, personnel officer or commanding officer of the unit.
- "Orders" or Leave and Earnings Statements (LES) do not fulfill the same requirements as the statement of service.

PROOF OF SERVICE

Reservist/National Guard

Unlike members of regular components of the Armed Forces, there isn't one standard form given to members of the Reserves or Guard. Generally, members of the Reserves/Guard will have some type of points summary detailing participation in the Selected Reserves.

The following documents are usually acceptable to establish eligibility:

Reserve/Guard Branch	Required Proof of Service
Army/Air National Guard	NGB-22, Report of Separation and Record of Service
Army Reserve	DARP Form 249-2-E or ARPC Form 606, Chronological Statement of Retired Points
Navy Reserve	NRPC 1070-124, Annual Retirement Point Record
Air Force Reserve	AF-526, Point Summary Sheet
USMC Reserve	NAVMC-798
Coast Guard Reserve	CG-4175

Discharge Certificate

The discharge certificate is issued to both regular military and reservist veterans. It can be used as proof of character of service for a reservist when only a points statement is available.

Note: The minimum required length of service for a Reserve/National Guard member is six (6) years of active reserve duty.

OBTAINING PROOF OF SERVICE

How to Obtain Proof of Service

The National Personnel Records Center (NPRC) may be contacted to obtain a copy of military service records. The NPRC has several methods available to request records:

1. eVetRecs (www.archives.gov/veterans/evetrecs) - The request for records may be initiated via the Internet by the veteran. A follow up faxed or mailed application with signature will be required.

2. Standard Form (SF) 180, Request Pertaining to Military Records may be obtained via Internet, postal mail, or telephone:

- a. Download and print form from <http://www.archives.gov/veterans>
- b. Request form by mail: The National Personnel Records Center
8601 Adelphi Road
College Park, MD 20740-6001
- c. Telephone NPRC at 1-866-272-6272

If records need to be ordered, please start the process early on as this request could take some time to fill.

State Departments of Veterans Affairs – If the veteran was discharged after 1979, there is a possibility that the State Department of Veterans Affairs may have a copy of the DD-214. The veteran would need to contact the office located in the state that was listed as their home of record. The ‘home of record’ is where the veteran entered into active duty. The website for the National Association of State Directors of Veterans Affairs is www.nasdva.com. Contact information for each state office may be located there.

Department of Veterans Affairs (VA) – If the veteran has made a claim with VA, there is a chance that service information is in our database. It may be possible for the veteran to obtain a letter regarding their service information from the Veterans Service Center. The toll-free number, 1-800-827-1000, will connect the veteran to the nearest VA Regional Office.

PORTAL REGISTRATION FOR LENDERS

Before you begin, have ready:

- ♦ Lender identification number
- ♦ Social Security Number
- ♦ Valid E-mail address

The website is <http://vip.vba.va.gov>.

1. Click on “Register”. (Located on the left-hand side of the screen.)
2. On the next screen, select VA Affiliate and click Next.
3. Input all of your personal contact information on the next two screens. A red asterisk (*) indicates a required field.
4. On the Login Security Information Screen you will create a user name and password, and select your security questions and answers. Valid User Names must have at least 8 characters, must begin with a letter, contain only letters and numbers and may not contain any spaces. Passwords are case sensitive and must be at least 8 characters long. They must contain elements from three of following: Uppercase Letters, Lowercase Letters, Numbers, and Special Characters.
5. On the next screen, select VA Affiliate and check your appropriate affiliation type. When the “Lender” box is checked, you will be asked to input your lender ID number and the “Lender PIN”. The PIN is usually comprised of the last four digits of the ten-digit ID number. Enter your business correspondence email address if different from the one you previously entered and click “Next”.
6. Accept the Terms and Conditions and click Submit.

You are now ready to log in to the Veterans Information Portal!

Remember: Do not share your user name and password!

ORDERING AN ELECTRONIC COE

After logging into the Veterans Information Portal:

1. Choose the WebLGY application.
2. Click on “Eligibility”.
3. From the drop down box, select “Automated Certificate of Eligibility”
4. Input all requested information (name, SSN, date of birth, etc.), then “Submit”

At this point, you will either get a message that you can view/print the COE or that the system was unable to process your case online. If the system cannot process the case online, the following steps must be completed:

1. Click on the “Electronic Application” link.
2. Input required information. This information comes directly from the application for the COE, VA Form 26-1880.
3. Supporting documentation such as the DD-214 or HUD-1 Settlement Statement may be scanned and uploaded for submission with the electronic application.
4. Provide your e-mail address so that you can be notified when the application has been processed.

Be sure to keep the reference number generated by the application. Using the reference number, you may track the progress of the electronic application.

If you choose not to use the electronic application process, the mailing address of the eligibility center is provided on the screen.

VA “Jumbo” Loans (GNMA)

Effective September 1, 2007, Ginnie Mae (GNMA) is eliminating the restriction on the size of mortgage loans guaranteed by the Department of Veterans Affairs (VA) that can be used as collateral for Ginnie Mae securities. Previously, Ginnie Mae limited the size of VA-guaranteed loans to the conforming loan limit of \$417,000.

Ginnie Mae will continue to require that the borrower’s down payment plus the amount to the VA guaranty be equal to at least 25 percent of the purchase price or the home’s value, whichever is less.

Note: The “VA Jumbo Loan” is not a VA program. It is simply a marketing tool used in conjunction with Ginnie Mae backed loans to allow a borrower to obtain a VA loan over the conforming government loan limit of \$417,000.

**VA “JUMBO” LOANS (Purchase)
GNMA**

Calculating final loan amount

1. Purchase Price	\$500,000
2. Appraised Value	\$500,000
3. 75% of the lesser of 1 and 2 above	\$375,000
4. Add Entitlement	\$ 104,250
5. Base Loan Amount (3 + 4)	\$479,250
6. Down Payment = 1 less 5	\$ 20,750
7. *VA Funding Fee (use 5 to calculate)	\$ 10,304
8. Final Loan Amount (7 + 5)	\$489,554

*VA Funding Fee (VAFF) is determined as follows:

- a. If the borrower has a verifiable service-connected disability in excess of 10%, VAFF is waived.
- b. VAFF is calculated on the loan amount**
 - (1). Regular Military – 2.15% first time use; 3.3% subsequent use
 - (2). Reservist/National Guard - 2.4% first time use, 3.3% subsequent

Another way of coming up with the figure is the 25% Rule:

1. Lesser of the purchase price or appraised value	\$500,000
2. Less entitlement x 4	\$417,000
3. Difference	\$ 83,000
Down payment = the difference between 1 and 2 above x 25%	\$ 20,750
	(4% down)

**VA “JUMBO” LOANS (Purchase)
GNMA**

Calculating final loan amount

1. Purchase Price	\$ _____
2. Appraised Value	\$ _____
3. 75% of the lesser of 1 and 2 above	\$ _____
4. Add Entitlement	\$ _____
5. Base Loan Amount (3 + 4)	\$ _____
6. Down Payment = 1 less 5	\$ _____
7. *VA Funding Fee (use 5 to calculate)	\$ _____
8. Final Loan Amount (7 + 5)	\$ _____

***VA Funding Fee (VAFF) is determined as follows:**

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Another way of coming up with the figure is the 25% Rule:

1. Lesser of the purchase price or appraised value	\$500,000
2. Less entitlement x 4	<u>\$417,000</u>
3. Difference	<u>\$ 83,000</u>
 Down payment = the difference between 1 and 2 above x 25%	 <u>\$ 20,750</u>
	(4% down)

Regional Loan Centers Contact

Regional Loan Center	Jurisdiction	Telephone
Atlanta	Georgia, North Carolina, South Carolina, Tennessee	1-888-768-2132
Cleveland	Delaware, Indiana, Michigan, New Jersey, Ohio, Pennsylvania	1-800-729-5772
Denver	Alaska, Colorado, Idaho, Montana, Oregon, Utah, Washington, Wyoming	1-888-349-7541
Honolulu	Hawaii	1-808-433-0481
Houston	Arkansas, Louisiana, Oklahoma, Texas	1-888-232-2571
Manchester	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	1-800-827-6311
Phoenix	Arizona, California, Nevada, New Mexico	1-888-869-0194
Roanoke	Kentucky, Maryland, Virginia, Washington, DC, West Virginia	1-800-933-5499
St. Paul	Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin	1-800-827-0611
St. Petersburg	Alabama, Florida, Mississippi, Puerto Rico, US Virgin Islands	1-888-611-5916
Winston-Salem	Nationwide Eligibility ONLY	1-888-244-6711

WEB SITE DIRECTORY

Address	What's There?
http://www.benefits.va.gov/homeloans/	Lender's Handbook, VA forms, FAQs, information pamphlets, Regional Office directory
http://vip.vba.va.gov	Veterans Information Portal Includes TAS, WebLGY & condo and builder listings.
www.va.gov/vaforms	VA Forms
www.benefits.va.gov/homeloans/tra-in.asp	Free training on the VA Home Loan Guaranty Program, including live satellite / internet streaming broadcasts, web-based courses, and streaming On-demand targeted videos.
http://vetrecs.archives.gov	National Personnel Records Center (Obtain military records.)
www.nasdva.com	National Association of <u>State</u> Directors of Veterans Affairs
http://va.pay.gov	Funding Fee Payment System
www.military.com	Military pay charts, housing, installations, etc.
http://va.reotrans.com	Nationwide VA acquired property listings
www.mortgage-x.com	Mortgage calculators, find a lender, closing costs explained, etc. (Independent information service, not affiliated with any lending institution.)

Training Broadcasts for Industry Partners and Program Participants

FY 2010 Broadcast Schedule - Programs will air at 12:00 Noon Eastern Standard Time (EST) and can be viewed via streaming video on the web (links will be added below on the day of the broadcast) or at [VA Regional offices](#). For more information, contact your [Regional Loan Center](#).

November 18, 2008 - VA Homeloans 101 (For Lenders, VA Staff and Veterans)

December 16, 2009 - Eligibility (For Lenders, VA Staff and Veterans)

January 26, 2010 - LAPP and SAPP Update (For LAPP SARS, SAP SARS and C&V Staff)

February 24, 2010 - Quality Assurance for VA Staff (LGY Staff)

March 24, 2010 - Loan Administration Post Audits (Servicers and LA Staff)

April 21, 2010 - 3rd Annual "Not So Trivial Pursuit" (LGY Staff)

May 19, 2010 - Appraisal Management System (Fee Appraisers, LAPP and SAPP SARS, and C&V Staff)

June 9, 2010 - Lender Game Show (Lenders and LGY Staff)

July 14, 2010 - The VA ReView Season 5 (Lenders and LP and C&V Staff)

August 18, 2010 - 4th Annual Fee Appraiser Session (Fee Appraisers, LAPP and SAPP SARS and C&V Staff)

September 22, 2010 - Loan Guaranty News and "Open Phones" (Lenders, Servicers, LGY Staff and Veterans)

Streaming Internet and Videos

Loan Guaranty has produced 18 short videos (One hour or less) targeted to provide just-in-time training on specific subjects for Lenders about the VA home loan program. They are available via On-Demand streaming video at <http://www.benefits.va.gov/homeloans/train.asp>

Titles are:

NEW! Homes for Heroes		
NEW! Assistance for Veterans With Non-VA Loans		
NEW! Contract to Closing		
NEW! Servicemembers Civil Relief Act		
VA Borrowers: There are Alternatives to Foreclosures (17:50)		
Guidance on Servicing VA Home Loans During National Disasters (8:27)		
The Appraisal System (12:28)		
American Dream for America's Veterans (29:00)		
Special Homes for Special Vets/Specially Adapted Housing (12:00)		
The Certificate of Eligibility (16:00)		
Restoration of Entitlement (14:52)		
VA Myth-busters (18:29)		
Active Duty Issues in Underwriting (26:12)		
So, You've Been Selected for an Audit (19:14)		
VA Home Loans & You (18:35)		
VA Income Guidelines (19:52)		
Refinancing for Lenders (12:31)		
Energy Efficient Mortgages (7:30)		