

VALERI Servicer Newsflash

Tuesday, November 26, 2013

IMPORTANT - PLEASE READ

Clarification - Loss Mitigation Process

Servicers have the authority to assist Veteran borrowers to retain their homes or to explore options to avoid foreclosure. Borrowers must have the financial ability to support the retention options, along with a desire to retain their property. If the borrower does not want to retain the property based on the circumstances provided, servicers should document their records, and explore an alternative to foreclosure. Veterans should be advised that an alternative to foreclosure may result in a claim by VA, which will cause the loss of their entitlement.

Compromise Sale

A compromise sale is a sale to a third party for a lesser amount than the borrower's total indebtedness on the loan. Servicers may consider a compromise sale after determining that no home retention options are feasible. Servicers may file a claim upon completion of a compromise sale to recoup the remaining debt owed by the borrower, up to maximum guaranty. The incentive payment for a compromise sale is paid with the claim payment.

FOR YOUR INFORMATION

Supporting Documentation for Appeals

Servicers are required to submit supporting documentation for an appeal within established timeframes. Loan Technicians base their review of the appeal on the documentation received within the allowed timeframe. However, Technicians have the discretion to grant extensions if they determine that extenuating circumstances will prevent the servicer from submitting the documents on time. Therefore, please contact the assigned Loan Technician *prior* to the appeal due date if you are encountering issues with providing documentation. Documentation provided must clearly state the basis of the appeal and support your request.

Pre-Approval Requests

As a reminder, servicers may submit a pre-approval request to VA to deviate from the requirements of a VA regulation more than once if circumstances change during the life of the loan. However, if a servicer needs to deviate from multiple regulations at one time, when making a pre-approval request they should reference all affected regulations in that one pre-approval request.

Uploading Documents in Servicer Web Portal (SWP)

If you encounter problems uploading documents in SWP, please be aware files cannot exceed 5 MB (megabytes). Check the size of your file if you receive a timeout error and try dividing the document into several smaller files. Please reach out to the VALERI Help Desk if this does not resolve the issue.

Servicer Loan Listing Report

The Servicer "Loan Listing Report" is highly useful because it provides servicers a comprehensive picture of all their VA loans in one report. Information contained in the report includes borrower name, property address, loan origination, unpaid principal balance, the latest event reported to VALERI, and more.