#### Chapter 6. Miscellaneous

#### Overview

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| In this Chapter | This chapter contains the following topics:   |  |  |  | | --- | --- | --- | | Topic | Title | See Page | | 1 | Local Communication Releases to External Stakeholders | 6-2 | | 2 | Regional Loan Center Training of Loan Production Employees | 6-4 | | 3 | Records Control | 6-7 | | 4 | VA Loan Identification Number | 6-9 | |

#### 1. Local Communication Releases to External Stakeholders

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| Change Date | May 23, 2017, Change 5   * This section has been updated in its entirety. |

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| a. Policy | All non-routine, communication releases (training announcements and materials, outreach, directives, informational issues, bulletins, etc.), to industry partners must be reviewed, approved, and disseminated from Loan Guaranty Service Central Office (LGY CO). Regional Loan Centers (RLCs) are not permitted to issue the aforementioned external communication products to external stakeholders without prior approval from LGY CO, as outlined in this section. Many lenders underwrite from centralized locations, but make loans from more than one geographic area, which makes consistency extremely important. |

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| b. CO Approval | Submit RLC communication releases to the CO Lender Liaison for approval prior to publication to external stakeholders to include, but not limited to, lenders, servicers, staff appraisal reviewers, and appraisers.    CO will review the release and notify the RLC of approval, disapproval, or approval with modification. |

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| c. Requirements for CO Approval | The following lead times must be followed for each RLC release to ensure that the appropriate review is made.   |  |  | | --- | --- | | When ... | Then ... | | Requests regarding policy clarifications or guidance, or a general announcement | CO requires notice of at least 7-business days prior to publishing. | | Requests regarding a webinar (informational session) | CO requires notice of at least 20-business days prior to publishing. |     Any supporting documentation (PowerPoint, talking points, handouts, etc.) that will be used or shared with attendees must be included with the request. |

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1. Local Communication Releases to External Stakeholders, Continued

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| c. Requirements for CO Approval, continued | All communication requests must include the following, as appropriate:   * RLC Point of Contact (POC) - This is the individual that CO staff will coordinate with during CO’s review process. * Requested date of publication - This is the date the RLC would like the communication to be published. * Requested target audience (eg. lenders). * Draft of the communication to be published - For example, if the RLC intends to publicize an informational webinar, submit a fully-developed announcement including webinar subject, date(s), time(s), registration instructions, etc. * Copy of graphic materials to be published/presented - For example, if the RLC intends to conduct a webinar using PowerPoint, include a copy of your PowerPoint slides. * Copy of supporting script - For example, if the RLC intends to use a script while conducting a webinar, submit a copy of your script.   Within 2-business days of receiving an RLC’s communications request, an LGY CO POC will confirm receipt with the RLC’s POC. Additionally, CO staff will coordinate with the RLC’s POC to resolve any issues that may arise during CO’s review process. During this process, CO staff will review submitted materials for consistency with applicable laws, regulations, policy, and guidance. Once the RLC’s communication request has been approved by CO, an LGY CO POC will contact the RLC’s POC to confirm the publication date and publish the communication via GovDelivery.  GovDelivery is LGY’s current communication platform. Adding new subscribers to GovDelivery is straightforward and the platform offers the opportunity to easily facilitate the dissemination of information to external stakeholders. Exhibit A provides detailed information about the usage of GovDelivery. |

#### 2. Regional Loan Center Training of Loan Production Employees

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| a. Why is Training Required? | Training is required to ensure appropriate decisions are made in administering the VA Home Loan program, and to help reduce program losses by providing employees with the tools to make informed and proper decisions. All employees involved in credit underwriting must undergo training at least once annually. |

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| b. Who is Required to Receive Training? | Personnel who:   * Underwrite loan applications, * Process loan guaranty requests, * Complete full file loan reviews, * Process release of liability/substitution of entitlement requests, * Conduct lender training, * Process certificate of eligibility applications, or * Provide direct benefits to Veterans. |

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| c. What Abilities Must a Loan Specialist/ Underwriter Possess? | Newly assigned personnel must receive training by senior staff on all aspects of credit underwriting prior to making credit underwriting decisions.  To be qualified as a fully-trained Loan Specialist, a VA employee must have the following:   * Working knowledge and understanding of VA's credit standards including [Title 38, Part 36 of the Code of Federal Regulations](http://www.ecfr.gov/cgi-bin/text-idx?SID=485862a51209461e92dbb27637604e7b&tpl=/ecfrbrowse/Title38/38cfr36_main_02.tpl) and [Title 38, Chapter 37 of the U.S. Code](https://www.gpo.gov/fdsys/search/pagedetails.action?collectionCode=USCODE&searchPath=Title+38%2FPart+III%2FChapter+37%2FSUBCHAPTER+II&granuleId=USCODE-2010-title38-partIII-chap37-subchapI-sec3703&packageId=USCODE-2010-title38&oldPath=Title+38%2FPart+III%2FChapter+37%2FSUBCHAPTER+II&fromPageDetails=true&collapse=false&ycord=1595), * Ability to read and interpret credit reports and formats, * Ability to determine who is a satisfactory credit risk, * Ability to determine whether applicants meet income requirements, * Working knowledge of [VA approved state fees and charges variances](http://www.benefits.va.gov/homeloans/lenders.asp), and * Working knowledge of the VA electronic systems. |

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2. Regional Loan Center Training of Loan Production Employees, Continued

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| c. What Abilities Must a Loan Specialist/ Underwriter Possess?, continued | A qualified Loan Specialist should also have a general familiarity with:   * Federal, state, and local tax laws on income from:   + Employment,   + Sole proprietorships,   + Partnerships, and   + Corporations. * Local and regional economic conditions. * Accounting principles to evaluate financial statements. * Federal, state, and local laws on compensation, pension, and public assistance. * [Equal Credit Opportunity Act](https://www.gpo.gov/fdsys/pkg/USCODE-2011-title15/html/USCODE-2011-title15-chap41-subchapIV.htm) (ECOA). * Fair Housing Act ([42 U.S.C. 3601, et seq.](http://uscode.house.gov/view.xhtml;jsessionid=D53669C112D3939B78FF000B9937F906?req=granuleid%3AUSC-prelim-title42-chapter45-subchapter1&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU0Mi1zZWN0aW9uMzYwMQ%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim)). * Truth in Lending Act (TILA) Regulation Z ([12 C.F.R. 226 et seq.](http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=635f26c4af3e2fe4327fd25ef4cb5638&tpl=/ecfrbrowse/Title12/12cfr226_main_02.tpl)). * Real Estate Settlement Procedures Act of 1974 (RESPA) Regulation X ([12 C.F.R. 1024 et seq.](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title12/12cfr1024_main_02.tpl)). * [TILA-RESPA Integrated Disclosure Rule (TRID)](http://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/2013-integrated-mortgage-disclosure-rule-under-real-estate-settlement-procedures-act-regulation-x-and-truth-lending-act-regulation-z/). |

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| d. On-site Training | Training is an ongoing process, and the training discussed in this section, subtopic c, counts toward the 40- hours of VBA annual training requirements in the Talent Management System (TMS). The Loan Production Officer, or appropriate level individual, should ensure that all employees involved in credit underwriting receive ongoing training on new issues or procedures, and any problem areas. Any outside training must be funded by the RLC. |

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2. Regional Loan Center Training of Loan Production Employees, Continued

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| e. Off-site Training | To improve the development of Loan Specialists, employees are encouraged to pursue job-related courses at colleges and universities and industry partners, such as the Mortgage Bankers Association. Some job-related course subjects include:  • Real estate finance,  • Residential appraisal,  • Economics,  • Principles of accounting,  • Real estate law,  • Principles of finance,  • Federal taxation,  • Property management,  • Real estate mathematics,  • Real estate investment strategies, and  • Financial statement analysis. |

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| f. Reimburse-ment of Tuition and Other Training Costs | Check with the RLC’s training officer for information pertaining to reimbursement of tuition and other training costs. |

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| g. Employee Training File | All training should be tracked in the electronic training system of record (currently the Talent Management System). |

#### 3. Records Control

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| a. Establish Records | Records should be established at the time of each processing transaction, including, but not limited to the:  • Receipt of loan application,  • Suspension of processing  • Disapproval, and  • Issuance of the Loan Guaranty Certificate. |

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| b. Records Disposal | Dispose of loan records in accordance with the [Records Control Schedule](http://www.benefits.va.gov/WARMS/21guides.asp) (RCS) VB-1, Part I, Field, revised January 31, 2014, as provided in the following chart.   |  |  | | --- | --- | | If ... | Then ... | | The file is relating to withdrawn or rejected applications for guaranty | Dispose of withdrawn or rejected application files in accordance with RCS VB-1, part I, item No. 12-076.100 (retain for 25 months after coding the electronic system) | | The document is a COE application (eg. mailed/in-person/faxed VA Forms [26-1880](http://www.vba.va.gov/pubs/forms/VBA-26-1880-ARE.pdf) and [26-1817](http://www.vba.va.gov/pubs/forms/VBA-26-1817-ARE.pdf)) | Upload into WebLGY and dispose of the application in accordance with RCS VB-1 Part I item no. 12-060.000 Field revised January 31, 2014, which states, “Destroy hardcopy file 30 days after COE issued. If COE is denied, retain for 13 months unless application and supporting documents are scanned to be stored electronically.” | | The file is relating to withdrawn or denied applications for direct loans | Dispose of withdrawn or denied applications in accordance with RCS VB-1 Part I item no.12-080.100 (Destroy hard copy or electronic version after 2 years) | |

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3. Records Control, Continued

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| b. Records Disposal, continued | |  |  | | --- | --- | | If ... | Then ... | | For all Loan Guaranty files of other than paid in full, which are not in default and on which no claim has been paid and no action is pending by VA | Dispose of the files in accordance with RCS VB-1, part I, item No. 12-076.300 which states to “Destroy hard copy or electronic version after 2 years.” |   Be sure to adhere to the RCS VB-1, Part I, Field, revised January 31, 2014, regarding the disposal of documents/files that are not listed above. |

#### 4. VA Loan Identification Number

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| a. System Assignment of a VA LIN | WebLGY assigns a VA Loan Identification Number (LIN) when an appraisal is requested for an individual property, or an Interest Rate Refinance Reduction Loan is requested through the Veterans Internet Portal (VIP).  The VA LIN is assigned at the time of the appraisal request or other action. This may occur with:   * Direct loan applications, including Native American Direct Loans (NADLs). * Prior approval cases in which an application is simultaneously received with a request for determination of reasonable value. * Regular refinance loans and cash-out refinance loans. * Purchase loans.   The VA LIN is comprised of the following 12 digits with three hyphens to separate the four categories of the 12 digits. For example:  XX-XX-X-XXXXXXX |

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| b. Definition of Digits | |  |  |  | | --- | --- | --- | | **Digit** | **What it Identifies** | **Can it Change Over the Life of the Loan?** | | First and Second | **Office of Jurisdiction**. The Regional Office that currently has responsibility for the loan based on the location of the property. | Yes;  Due to changes in areas of responsibility. | | Third and Fourth | **Office of Origin.** At the time the loan closed, the Regional Office that had jurisdiction over the area where the property securing the loan was located. | No | |

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4. VA Loan Identification Number (LIN), Continued

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| b. Definition of Digits, continued | |  |  |  | | --- | --- | --- | | **Digit** | **What it Identifies** | **Can it Change over the Life of the Loan?** | | Fifth | Loan Type to differentiate loans based on legal authorities contained in 38 U.S.C. chapter 37   * 1 for Direct or NADL loans. * 2 for Loans made before January 1, 1990, and manufactured home loans. * 3 for type 1 loans that have been terminated and resold with vendee financing. * 4 for type 2 loans that have been terminated and resold with vendee financing. * 5 for type 2 loans that were refunded and now serviced by VA. * 6 for loans closed on or after January 1, 1990, and not a manufactured home. * 7 for type 6 loans that have been terminated and resold with vendee financing. * 8 for type 6 loans that have been refunded and now serviced by VA. | No | | Last seven digits | Serial number | No | |