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St. Paul Loan Notes

*St. Paul Regional Loan Center
Loan Production Section
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VA Home Loans – Welcome System Technology Updates

A Monthly VA Home Loan Information Newsletter for Real Estate Professionals and Lenders

From the Loan Production Staff

May was a very busy month for advancements in technology for our web-based systems in the Veterans Information Portal. Changes included the deletion of the Electronic Data Interchange (EDI) and Web Based Loan Summary (WBS)/Submit Guaranty function as well as changes in procedures to access the Automated Certificate of Eligibility (ACE) Program.

The WBS and ACE functions are accessed via a new application link called webLGY. Take some time to visit the newly enhanced Veterans Information Portal at: vip.vba.va.gov and see first hand the improvements to the site.

Last month we talked about the free training opportunities available via interactive televised training seminars as well as videotapes of previous broadcasts. If you've never viewed a training broadcast via streaming video now's the time to tune in for a session. The June 14th broadcast will feature *Refinance & Special Issues in Underwriting* and the July 19th broadcast will feature *Credit Underwriting* and will be presented in a totally new format. So make sure to mark your calendar because you don't want to miss either of these upcoming

sessions! Viewing the broadcast is as simple as accessing

<http://homeloans.va.gov/livevideobroadcast.htm>

and following viewing procedures.

We welcome any comments, questions or concerns regarding the program or this publication. You can contact us by e-mail at RLCTT@vba.va.gov or call us at 1-800-827-0611 ext 3716.

St. Paul Regional Loan Center
Quality/Training Team



How To obtain a DD 214

If a borrower doesn't have a Certificate of Release or Discharge from Active Duty, DD 214, member copy 4, showing the type of discharge awarded they can request a duplicate from the National Personnel Records Center (NPRC). The veteran or veteran's next-of-kin can go to the NPRC web site: <http://www.archives.gov/veterans/evetrecs/index.html>

and follow instructions to obtain military records. There are a couple of different ways to request a DD 214. At the website, they can either use the eVetRecs System to create a request or download a Standard Form 180 and mail or fax the request. If they choose the eVetRecs method, they must be the veteran or the next-of-kin. If they are not they must complete the Standard Form 180. There are specific directions at the site to initiate a request.

It is required by the Privacy Act of 1974 that all requests for records are submitted in writing and each request be signed and dated by the veteran or next-of-kin. A request can therefore, be initiated on-line; but the verification form must be signed, dated, and mailed or faxed to the National Personnel Records Center within 20 days of the request otherwise the request will be removed.

The following is specific contact information for the National Personnel Records Center:

Mailing address:
National Personnel Records Center
9700 Page Avenue
St. Louis, MO 63132-5100
Phone: 866-272-6272
Fax: 301-837-0483

Question Forum

Q: We have a loan where the veteran's birth date is incorrect on the Certificate of Eligibility. It shows he was born in 1941; it should be 1942. Which date should go on the VA Loan Summary and do we need to get the COE corrected? Also, since we are doing a refinance should we show full entitlement for item #8 on the VA Form 26-0286 since it will be restored after closing or show the current amount of entitlement shown on the COE?

A: You do need to get the COE corrected to reflect the accurate date of birth. You would send the request for correction to the Winston-Salem Eligibility Center and provide evidence that verifies the birth year such as a copy of the borrower's driver's license. In regards to your other issue the entitlement available listed on the VA Form 26-0286 should reflect the current entitlement used.

Q: In a case where a veteran wishes to pay an extended lock-in fee to guarantee the interest rate (180-360 days), is this an allowable fee to be charged to the veteran? I reviewed the chapter on fees and was not clear on whether we could charge this fee? Also, we would like to offer a 10-year VA ARM product, is this allowable as long as the caps are 1% per adjustment, 5% life of loan?

A: An interest rate lock in fee would be considered part of the 1% origination fee. If the borrower is going to be charged a 1% origination fee, an interest rate lock in fee would be unallowable. A 10-year VA ARM is allowable. If you were going to do a Hybrid ARM, the first change can be 2% increase/decrease and subsequent changes 1% increase/decrease. The

maximum change over the life of the loan is an increase 6% points. If you were going to do a Traditional ARM, the loan would have to be underwritten 1% above the initial rate. The annual change can be 1% increase/decrease with a maximum increase of 5% over the life of the loan.

Q: I am a County Veterans Service Officer in Wisconsin. I was asked if a veteran could use the home loan guarantee program in Canada. Do Canadian lenders participate?

A: No. The property must be located in the United States, its territories, or possessions. The territories and possessions are Puerto Rico, Guam, Virgin Islands, American Samoa, and Northern Mariana Islands.

Q: Are you guaranteeing loans for a 50-year term?

A: The maximum term on a VA Loan is 30 years and 32 days; however, the term may never be for more than the remaining economic life of the property as determined by the appraisal.

Q: Do I have to do a Verification of VA Benefits, VA Form 26-8937, on every loan I make?

A: A *Verification of VA Benefits*, VA Form 26-8937, does not have to be completed in all cases. It must however, be completed if any of the following conditions apply.

- The veteran is receiving VA compensation for service-connected disabilities;
- The veteran would be entitled to receive compensation for service-connected disabilities if they did not receive retirement pay;

- The borrower is the surviving spouse of veteran who died in service or from service-connected disabilities;
- The veteran has received a VA disability benefit in the past.

If any of those cases applies to your borrower then you must have a VA Form 26-8937 completed by VA.

Q: I found a copy of St. Paul Loan Notes searching the web. Can you add me to your mailing list? I'd really like to receive a copy of this newsletter on a regular basis.

A: Glad you found our newsletter! It can be found monthly on our website at the beginning of each month. We don't have a mailing list at this time but if we develop one, we'll be sure to add you to the list. Please check our website regularly during the month for any new information concerning changes to the program. If there's anything you'd like addressed in an article please let us know by e-mail at RLCIT@vba.va.gov and we'll be sure to address it in a future edition. Thank you for your interest in the VA home loan program

