

- VA Property Management Homes
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Questions and Answers for September 2006

# St. Paul Loan Notes

*St. Paul Regional Loan Center  
Loan Production Section  
Monthly Newsletter  
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## Helping Our Nation's Heroes Obtain the American Dream

*A Monthly Information Newsletter for **Real Estate Professionals and Lenders***

### From the Loan Production Staff

It is hard to believe that this is the 9<sup>th</sup> edition of the St. Paul Loan Notes. We are happy to hear from our readers and some of you have expressed your enjoyment in reading the articles, and are particularly pleased with the helpful information you receive from the Frequently Asked Questions page.

It is our pleasure to provide you with the latest updates and changes to the VA Home Loan Program and to also discuss related topics that perhaps you may not have contemplated recently. Our ultimate goal in publishing this newsletter is to give our readers a better understanding of the program and also to generate questions or suggestions that you the lender and real estate professional may have. So, please contact us with comments, suggestions or questions, we would be delighted to hear from you! Drop us a line at our e-mail address [RLCTT@va.gov](mailto:RLCTT@va.gov) or you can call us at 1-800-827-0611 ext 3716.

St. Paul Regional Loan Center  
Training Team

### Property Management Service Contract

The Department of Veterans Affairs (VA) acquires properties as a result of foreclosures on VA-guaranteed and VA-financed loans. These acquired properties are marketed for sale through a property management services contract with Ocwen Loan Servicing, LLC, West Palm Beach, Florida.

The properties are listed by local listing agents through local Multi Listing Systems (MLS). Properties for sale may also be viewed on Ocwen's website at [www.ocwen.com](http://www.ocwen.com) and on a government site at [www.homesales.gov](http://www.homesales.gov). If a purchaser is interested in buying a VA-acquired property when it is listed for sale by Ocwen Loan Servicing, LLC, they should contact a local real estate broker of their choice to see the property.

Vendee financing (i.e., seller-financing) is available for most, but not all, property sales. With vendee financing the down payment requirements are very reasonable, and the interest rate is established by VA based on market conditions. Any prospective purchaser who requests VA financing to purchase a

VA-owned property must have sufficient income to meet the loan payments, maintain the property and pay all taxes, insurance, utilities and other obligations, and must also have acceptable credit. In addition the purchaser must have enough funds remaining for family support.

Interested listing brokers and subcontractors may also access Ocwen's website at [www.ocwen.com](http://www.ocwen.com) for information on selling VA-acquired properties.

### VA Approved Lenders Web Site

For several years VA maintained a database of VA approved lenders by state. This database was available for veterans to search for lenders in their area. Unfortunately this web site is no longer accessible for an indefinite period of time. To find VA approved lenders, we now advise veterans and service members to check their local listings or other resources to locate lenders. It is in their best interest to check with several lenders in order to discover their best interest rates and fees associated with VA loans.

## Question Forum

**Q:** I cannot find ACE on your website. I used to be able to access it from the Veterans Information Portal, (VIP), but I don't see the link anymore. Can you email me the link for ACE?

**A:** The Automated Certificate of Eligibility, (ACE), has been replaced by a new program - WebLGY. You will find that link on the portal also. WebLGY takes the place of ACE and also the WBS/Submit Guaranty function. In WebLGY, you can pull Certificates of Eligibility and also input guarantees to get a Loan Guaranty Certificate.

**Q:** Does VA still require a form that requires information on the veteran's nearest living relative?

**A:** Even though many lenders obtain this information and place it in the VA loan file, it is no longer a requirement of the Department of Veterans Affairs.

**Q:** I am looking at a loan application with the following scenario: The veteran borrower is assigned to Ft. Jackson, Columbia, South Carolina. He will shortly be deployed. He is purchasing a home in South Dakota that his spouse will occupy. It is my understanding that when he returns from deployment he will remain at the base in South Carolina and that there are no plans for him to be reassigned to South Dakota. Can the spouse satisfy the occupancy requirement indefinitely when there are no plans for the veteran to move to the area?

**A:** The spouse occupying the property in SD will satisfy the

VA occupancy requirement for an active duty vet who is stationed away from the home.

**Q:** Can you tell me how to quickly locate information on VA's current residual income requirements?

**A:** Please refer to Chapter 4.9e, Item 44, Balance Available for Family Support, in the Lender's Handbook at:  
[www.warms.vba.va.gov/pam26\\_7.html](http://www.warms.vba.va.gov/pam26_7.html).

We also have information on residual income available in our St. Paul RLC Training Guide at:

<http://www.vba.va.gov/ro/central/stpau/PDFs/July%2006%20Tng%20Guide.pdf>

**Q:** I am not able to log into the VIP. Can you help me?

**A:** Please contact the VIP Portal Help Desk at: [vip@va.gov](mailto:vip@va.gov). Be sure to include your name, last 4 digits of your Social Security Number, user name and password so that they can unlock you and get you back in.

**Q:** I plan on buying a large piece of real estate. It will probably be between 3-5 units, and I DO plan on living there. Will this disqualify me for the loan or certificate or am I fine since I plan on taking residence within the property?

**A:** First, VA will guarantee a multi-unit dwelling, up to 4 total units, if you plan to occupy one of the units as your primary residence. Second, if you plan to use the income from the property to qualify for the

loan, then VA requires that you have at least 2 years of prior landlord experience or 6 months cash reserves.

**Q:** I am moving abroad to Ireland, and am considering buying a home. Would I be able to access my VA benefits to assist with the purchase of a home in Ireland?

**A:** Only homes purchased in the United States of America, its territories, or possessions are eligible under the Department of Veterans Affairs home loan program.



**Q:** We have a veteran that is not being charged a 1% origination fee. The realtor wants an escrow closing fee that is charged by the title company to be paid by the veteran. This fee has always been charged to the seller, so it is not customary in this area for the veteran to pay this fee.

**A:** Since the borrower is not being charged the 1% origination fee, then he can be charged fees up to a total of 1%. The escrow fee is one of those fees that can be either included or itemized.