



**U. S. DEPARTMENT OF VETERANS AFFAIRS**  
**Regional Office, Fort Snelling**  
**1 Federal Drive**  
**St. Paul, MN 55111-4050**

March 26, 1999

REGIONAL LOAN CENTER MEMORANDUM NO. 99-06

TO: ALL MORTGAGE HOLDERS AND SERVICERS

SUBJ: CHANGE IN THE PROCEDURES FOR CONVEYING PROPERTIES TO VA

**1. PURPOSE**

This circular clarifies the requirements for information to be provided when conveying properties to VA.

**2. BACKGROUND**

As of October 1, 1995, VA began paying for a property conveyance upon receipt of the notice of election to convey. Holders were and still are responsible for providing locally required evidence of acceptable title within stated time-frames following loan termination (see attached Exhibits A-I) in order to avoid reconveyance. The procedure for prompt payment of property acquisition by VA did not eliminate the requirement for holders to pay taxes, special assessments or ground rents due and payable within 30 days after date of conveyance (see 38 CFR 36.4320(h)(4)). However, analyses of reports on unpaid taxes for newly acquired properties have disclosed a need to more carefully verify tax payment status. In addition, VA is making every reasonable effort to dispose of acquired properties as quickly as possible, and the provision of more complete tax information, which should be readily available from the holder, will assist in the efficient use of limited Government resources for property disposition.

**3. ACTION**

a. Effective April 1, 1999, in order to qualify for prompt payment of the property acquisition, each VA Form 26-8903, Notice for Election to Convey and/or Invoice for Transfer of Property, submitted to VA must be accompanied by complete tax information as to type(s), date(s) last paid, and identifier(s); i.e., PIN, parcel number, tax map or ID number, and complete legal description. VA experience has shown that required tax data is often not provided. Accordingly, VA is revising its policy so that if a holder shows a pattern of failing to provide complete tax data, VA may notify the holder that we will no longer pay for conveyances until complete tax and title information is received. Because VA Form 26-8903 presently has limited space available for tax information, it can be provided in the form of a printout from the holder's computer servicing system attached to the conveyance. The printout must provide data for all tax segments for a particular property and a legal description. Multiple printouts will be acceptable if necessary to provide the required information.

2.

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b. VA Forms 26-8903 submitted in conjunction with “**NO BID**” **BUYDOWN** cases, must also include copies of the loan account ledgers clearly showing the amount and date the buydown funds were applied to the account. Custody of these properties will not be accepted and the acquisition amount will not be paid without the ledger history attachments.

c. In redemption states, Minnesota, North Dakota, South Dakota, and Kansas, the date the redemption period expires should be annotated in the “Remarks” section of the VA Form 26-8903.

### **4. REIMBURSEMENT FOR TAXES**

As mentioned in paragraph 2, 38 CFR 36.4320(h)(4) requires that any taxes, special assessments or ground rents due and payable within 30 days after the date of conveyance to VA shall be paid by the holder if bills can be obtained before the conveyance. Since bills are almost always available 30 days prior to the due date, there should be only limited instances where taxes are not paid prior to conveyance to VA. Therefore, if VA is required to pay penalties and/or interest on any tax payments which were due within 30 days of conveyance, the holder must reimburse VA. Any such sums not promptly reimbursed may be withheld from future amounts due a holder, unless adequate documentation is provided showing that bills were unavailable.

### **5. WHERE TO SEND THE DOCUMENTATION**

a. VA Form 26-8903, Notice of Election to Convey and/or Invoice for Transfer of Property, for properties which were secured by VA-guaranteed loans within the St. Paul Regional Loan Center’s jurisdiction (Minnesota, North Dakota, South Dakota, Wisconsin, Iowa, Nebraska, Kansas, and Missouri) are to be sent to the Department of Veterans Affairs, Loan Guaranty Division, Loan Administration Section (261), 1 Federal Drive, Fort Snelling, St. Paul, Minnesota 55111-4050.

b. Title documents for these properties are forwarded to the Property Management Sections within the state in which the property is located. The addresses are included in the enclosed exhibits detailing the required title documents.

**Servicers are also reminded of the regulatory requirement (38 CFR 36.4320(a)(1)(ii)(A)) to submit their election to convey or transfer of the property to VA within 15 days after the date of the foreclosure sale with the exception of properties located in Wisconsin. In those cases, the conveyance notice is due 15 days after the date of the Order Confirming Sale.**

/s/D. F. MUNRO  
D. F. MUNRO  
Loan Guaranty Officer

EXHIBIT - A

TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
MINNESOTA

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

1. Title Documents - **Abstract Property:**

- (a) Mortgage and all Assignments. (Originals or certified copies)
- (b) Mortgage Note endorsed without recourse to "**Secretary of Veterans Affairs, an Officer of the United States.**"
- (c) Original Mortgagee's Title Insurance Policy, Survey, or other document relating to title.
- (d) Any deeds involving subsequent transferees who obtained title after the original veteran-purchaser.
- (e) Any bankruptcy documents filed by the borrowers.
- (f) The original or certified copy of the **recorded** Sheriff's Certificate and Foreclosure Record.
- (g) The original or certified copy of the **recorded** Assignment of Sheriff's Certificate, with warranties, in favor of "**Secretary of Veterans Affairs, an Officer of the United States, whose address is, c/o Loan Guaranty Officer (335/263), 1 Federal Drive, Ft. Snelling, St. Paul, MN 55111- 4050.**"
- (h) **EITHER:** A final owner's title policy scheduling the foreclosure and naming "**Secretary of Veterans Affairs, an Officer of the United States, whose address is, c/o Loan Guaranty Officer (335/263), 1 Federal Drive, Ft. Snelling, St. Paul, MN 55111-4050, His or Her Successors and Assigns**", as an insured. Insurance should be obtained in an amount not less than the bid at the Sheriff's sale and will include an allowable exception in Schedule B indicating the owner's right of redemption. (See Loan Guaranty Memorandum 88-14)  
**OR:** Complete "Abstract of Title", continued to show the foreclosure sale. If a final owner's policy is obtained, abstract continuation will not be required or reimbursed on the claim; any abstract in possession, however, should be forwarded to VA.
- (i) FEMA Form 81-93, Standard Flood Hazard Determination.

2. Title Documents - **Registered Land (Torrens)**

Send (a) through (g) above, plus the Registered Property Abstract, dated after the foreclosure sale. NO TITLE POLICY NEEDED.

3. If foreclosure was by judicial action, also send copies of all foreclosure papers (Pleadings and orders, etc. if not already provided).

**MAILING ADDRESS:** Send all legal documents for properties located in **MINNESOTA** within **60 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
LOAN GUARANTY DIVISION  
PROPERTY MANAGEMENT SECTION (335/263)  
1 FEDERAL DRIVE, FORT SNELLING  
ST. PAUL, MN 55111-4050**

EXHIBIT - B  
TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
NORTH DAKOTA

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

1. Title Documents:
  - (a) Notice of Intent to Foreclose.
  - (b) Summons and Complaint.
  - (c) Sheriff's Return of Service or Affidavit of Publication of Summons.
  - (d) Affidavit of Non-Military Service.
  - (e) Findings of Fact, Conclusions of Law, & Order for Judgment.
  - (f) Judgment.
  - (g) Notice of Foreclosure Sale Under Special Execution.
  - (h) Affidavit of Publication of Notice of Foreclosure Sale.
  - (i) Sheriff's Report of Sale.
  - (j) Order Confirming Sale.
  - (k) Original recorded Sheriff's Certificate of Sale.
  - (l) Recorded Assignment of Sheriff's Certificate of Sale.
  - (m) Any bankruptcy documents filed by the borrowers.
2. Also provide the following documents:
  - (a) Original or certified copy (by holder) of Mortgage Note endorsed without recourse to "**Secretary of Veterans Affairs, an Officer of the United States**" or for cancellation.
  - (b) Original or certified copy of the Mortgage and Assignments.
  - (c) **EITHER:** A final owner's title policy scheduling the foreclosure record and naming "**Secretary of Veterans Affairs, an Officer of the United States, whose address is, c/o Loan Guaranty Officer (335/263), 1 Federal Drive, Ft. Snelling, St. Paul, MN 55111-4050, His or Her Successors and Assigns**", as an insured. Insurance should be obtained in an amount not less than the bid at the Sheriff's sale and will include an allowable exception in Schedule B indicating the owner's right of redemption. (See Loan Guaranty Memorandum 88-14)  
**OR:** Complete "Abstract of Title", continued to show the foreclosure sale. If a final owner's policy is obtained, abstract continuation will not be required or reimbursed on the claim; any abstract in possession, however, should be forwarded to VA.
  - (d) Any deeds involving subsequent transferees obtaining title to the security after the original veteran-purchaser.
  - (e) FEMA Form 81-93, Standard Flood Hazard Determination.
3. **SHERIFF'S DEED.** VA will obtain the Sheriff's Deed after expiration of the redemption period based upon your Assignment of the Sheriff's Certificate of Sale.
4. **REDEMPTION PERIOD.** Please advise VA of the date the redemption period expires.

**MAILING ADDRESS:** Send all legal documents for properties located in **NORTH DAKOTA** within **60 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
LOAN GUARANTY DIVISION  
PROPERTY MANAGEMENT SECTION (335/263)  
1 FEDERAL DRIVE, FORT SNELLING  
ST. PAUL, MN 55111-4050**

EXHIBIT - C  
TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
SOUTH DAKOTA

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

1. **TITLE DOCUMENTS - JUDICIAL FORECLOSURE:**
  - (a) Summons and Complaint, with exhibits.
  - (b) Findings of Fact and Conclusions of Law **or** Proof of Service, if available.
  - (c) Judgment & Decree and Notice of Entry of Judgment.
  - (d) Notice of Mortgage Foreclosure Sale & Affidavit of Publication.
  - (e) Sheriff's Certificate of Sale (the recorded original).
  - (f) Return of Sale of Real Property.
  - (g) Order Confirming Sale of Real Property, if available.
  - (h) Recorded Assignment of Sheriff's Certificate of Sale.
  - (i) Assignment of Deficiency Judgment, If applicable .
  - (j) Any bankruptcy documents filed by the borrowers .
2. **TITLE DOCUMENTS - FORECLOSURE BY ADVERTISEMENT:**
  - (a) Published Notice of Foreclosure Sale.
  - (b) Affidavit of Publication.
  - (c) Affidavit of Non-military Status.
  - (d) Sheriff's Certificate of Sale.
  - (e) Recorded Assignment of Sheriff's Certificate.
  - (f) Any notices served on the owner or occupants.
3. Also provide the following documents:
  - (a) Original or certified copy (by holder) of Mortgage Note endorsed without recourse to "**Secretary of Veterans Affairs, an Officer of the United States**", or for cancellation.
  - (b) Original or certified copy of the Mortgage and Assignments.
  - (c) A final owner's title policy scheduling the foreclosure record and naming as an insured, "**Secretary of Veterans Affairs, an Officer of the United States, whose address is, c/o Loan Guaranty Officer (335/263), 1 Federal Drive, Ft. Snelling, St. Paul, MN 55111-4050, His or Her Successors and Assigns**". Insurance should be obtained in an amount not less than the bid at the Sheriff's sale and will include allowable exception in Schedule B indicating the owner's right of redemption. (See Loan Guaranty Memorandum 88-14)
  - (d) Any deeds involving subsequent transferees obtaining title to the security after the original veteran-purchaser.
  - (e) The original Mortgagee's Title Insurance Policy.
  - (f) FEMA Form 81-93, Standard Flood Hazard Determination.
4. **SHERIFF'S DEED.** VA will obtain the Sheriff's Deed after expiration of the redemption period based upon your Assignment of the Sheriff's Certificate of Sale.
5. **REDEMPTION PERIOD.** Please advise VA of what date the redemption period expires.

**MAILING ADDRESS:** Send all legal documents for properties located in **SOUTH DAKOTA** within **60 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
LOAN GUARANTY DIVISION  
PROPERTY MANAGEMENT SECTION (335/263)  
1 FEDERAL DRIVE, FORT SNELLING  
ST. PAUL, MN 55111-4050**

EXHIBIT - D

TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
WISCONSIN

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

1. TITLE DOCUMENTS - **JUDICIAL FORECLOSURE:**

- a. Copy of the title evidence obtained at loan origination.
- b. Title commitment, letter reports, or abstract extension purchased to assist in foreclosure action.
- c. Copy of the recorded Sheriff's Deed or evidence that it has been recorded.
- d. Copy of the recorded Warranty Deed from the Holder to VA or evidence that it has been recorded.
- e. Copy of the Order Confirming Sale.
- f. Copy of Survey, if available.
- g. A statement that no bankruptcy has been filed that affects the conveyance of the property.

2. TITLE DOCUMENTS - **VOLUNTARY DEED:**

- a. The premises must be vacated before conveyance to VA.
- b. Copy of the title evidence obtained at loan origination.
- c. Title commitment, letter reports, or abstract extension purchased before recording the deed.
- d. The quit claim deed may be prepared in one of two ways: 1) from the veteran directly to VA, or 2) from the veteran to the holder and a second deed from the holder to VA. It is recommended that you simply prepare a deed from the veteran to VA. Either way, you must provide us with a copy of the RECORDED deed(s) or evidence of recordation. **IT IS YOUR OBLIGATION TO RECORD THE DEED(S).**
- e. The recorded Mortgage Satisfaction or evidence of its recording.
- f. Copy of the survey, if available.

NOTE: ALL LEGAL DOCUMENTS CONVEYING INTEREST TO THE DEPARTMENT OF VETERANS AFFAIRS SHOULD BE EXECUTED AS FOLLOWS:

“The Secretary of Veterans Affairs, an officer of the United States”

**The Confirmation of Sale date or the date the deed is recorded are the dates from which all timeliness requirements for conveyance and submission of the title package are calculated for properties located in Wisconsin.**

**MAILING ADDRESS:** Send all legal documents for **WISCONSIN** properties within **60 days** of date of the Order Confirming the Sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
REGIONAL OFFICE  
5000 WEST NATIONAL AVENUE, BUILDING 6  
MILWAUKEE, WI 53295**

EXHIBIT - E

TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
**IOWA**

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

TITLE DOCUMENTS:

1. Abstract of Title continued through the Sheriff's Sale.
2. Original Sheriff's Certificate of Sale or Purchase.
3. Assignment of Sheriff's Certificate.
4. Assignment of Judgment, if deficiency judgment is taken.
5. Original mortgage title policy, if one was issued.
6. In **foreclosure without redemption** cases in which you obtain the Sheriff's Deed immediately after the sale, include the Sheriff's Deed and a recorded Warranty Deed which conveys the property to VA or, a recorded copy of the Sheriff's Deed to the Secretary of Veterans Affairs and a copy of the Assignment of the Sheriff's Certificate.

**MAILING ADDRESS:** Send all legal documents for properties located in **IOWA** within **60 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
LOAN GUARANTY DIVISION (26)  
210 WALNUT STREET  
DES MOINES, IA 50309**

EXHIPIT - F

TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
**NEBRASKA**

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

TITLE DOCUMENTS:

1. A copy of the Title Search performed prior to foreclosure or performed when considering a voluntary deed. \*\*
2. Copies of all procedural papers. \*\*
3. The original recorded deed to VA and any additional deed(s) in a non-judicial foreclosure.
4. Estoppel Affidavit, if a voluntary deed.
5. A Title Search performed after recording the deed to VA. \*\*

**\*\* THESE ARE NEW REQUIREMENTS**

**MAILING ADDRESS:** Send all legal documents for properties located in **NEBRASKA** within **30 days** of the sale on non-judicial foreclosure cases, confirmation of sale on a judicial foreclosure, or after the deed recording on voluntary deed cases, to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
LOAN GUARANTY DIVISION (26)  
5631 SOUTH 48TH STREET  
LINCOLN, NE 68516**

EXHIBIT - G

TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
ILLINOIS

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

1. TITLE DOCUMENTS - **JUDICIAL FORECLOSURE:**

- a. A copy of notice to the tax collector of VA's address (Department of Veterans Affairs, , P.O. Box 8136, Chicago, Illinois 60680) for future tax bills.
- b. Certified copy of original recorded Judicial, Sheriff's or Special Commissioner's Deed in the name of "Secretary of Veterans Affairs", showing recordation number (original deed to follow after receipt from the Recorder's office).
- c. Lis Pendens (showing date recorded).
- d. Complaint to Foreclosure.
- e. Judgment of Foreclosure.
- f. Report of Sale.
- g. Court-Stamped Order Approving Report of Sale which includes the Order of Possession.
- h. Assignment of Deficiency Judgment (if required).
- i. Original Owner's Title Insurance Policy (showing "Secretary of Veterans Affairs" as the insured party).
- j. Previous Mortgagee's Title Insurance policy (Title evidence at time of loan closing).
- k. Original Mortgage and Mortgage Note.
- l. Assignments of Mortgage (establishing chain of mortgagees).
- m. Plat of Survey (if available).
- n. Where applicable, Bankruptcy Petition & Discharge, Dismissal Order or order permitting holder to proceed with foreclosure.

2. **Cook County Torrens Cases:**

Cook County Torrens cases are under the same title requirements as any other cases within the Chicago Regional Office jurisdiction.

**MAILING ADDRESS:** Send all legal documents for properties located in **ILLINOIS** within **90 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
REGIONAL OFFICE  
PROPERTY MANAGEMENT SECTION (265)  
536 SOUTH CLARK STREET  
P.O. BOX 8136  
CHICAGO, IL 60680**

EXHIBIT - H

TITLE REQUIREMENTS FOR FORECLOSURED PROPERTIES  
KANSAS

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

TITLE DOCUMENTS:

1. Original Sheriff's Certificate of Purchase.
2. Assignment of Sheriff's Certificate of Purchase. (The assignment can be on the Certificate itself or by separate instrument, but must be executed by both an officer of the company and the secretary-treasurer, and the corporate seal must be affixed)
3. Original Mortgage Note, endorsed "Without Recourse" to the Secretary of Veterans Affairs.
4. Original or copy of recorded assignment(s) of mortgage from original lender to subsequent holders.
5. Covenant of Warranty, VA Form 26-4004. Please fill in the necessary data, execute, acknowledge and return.
6. Assignment of Judgment, VA Form 26-4005. Please fill in the necessary data, execute and return. (Required only for personal judgments)
7. Unextended abstract of title and/or mortgagee's title policy.
8. Title search secured when foreclosure action was begun.
9. Title search (update) through the date petition in foreclosure was filed.
10. Newspaper clipping of any published notice of Sheriff's sale and a showing of dates of such publication.
11. Conformed copy of Order of Sale.
12. Conformed copy of Sheriff's Return of Order of Sale.
13. Conformed copy of personal service of summons, for all parties personally served.
14. Conformed copy of proof of publication of notice of suit, if such publication was necessary.
15. Conformed copy of order confirming sale.
16. Copy of Petition.
17. Journal Entry

ASSIGNMENT AND RELEASES ARE VALID ONLY WHEN SIGNED BY THE PRESIDENT, VICE PRESIDENT, SECRETARY, TREASURER OR CASHIER. NO ASSISTANTS.

KSA 58-231 8

(Any of the above assignments or endorsements should be as follows: The Secretary of Veterans Affairs, an Officer of the United States of America, successors or assigns, c/o Director, VA Medical and Regional Office Center, 5500 East Kellogg Avenue, Wichita, Kansas 67218).

**REDEMPTION PERIOD.** Please advise VA of the date the redemption period expires.

**MAILING ADDRESS:** Send all legal documents for properties located in **KANSAS** within **60 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
PROPERTY MANAGEMENT SECTION (263)  
P O BOX 20077  
WICHITA, KS 67208-1077**

**Physical deliveries should be made to 5500 E. Kellogg, Wichita, Kansas.**

EXHIBIT - I

TITLE REQUIREMENTS FOR FORECLOSED PROPERTIES  
**MISSOURI**

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Title 38 CFR 36.4319 requires the holder of a VA guaranteed mortgage to send a copy of every procedural paper filed by or served upon the holder in any legal and/or foreclosure action to VA. These procedural papers are:

TITLE DOCUMENTS:

1. Owners policy for title insurance, insuring the Secretary of Veterans Affairs for the amount specified in VA's bid instruction letter, rounded to the next highest thousand. The title policy must show fee simple title to the property vested in the Secretary of Veterans Affairs.
2. Original recorded Trustee's Deed (Foreclosure)/Warranty Deed (Deed in Lieu) to holder or to the Secretary of Veterans Affairs, or a copy thereof, certified by the county Recorder.
3. Original recorded Warranty Deed from holder to the Secretary if deed in Item 2 above was to the holder rather than to the Secretary, or a copy thereof, certified by the county Recorder.
4. Original Mortgagee's Title Insurance Policy.
5. Estoppel agreement executed by the obligors. (Deed in Lieu only)
6. Original recorded deed of release, or a copy thereof, certified by the county Recorder. (Deed in Lieu only)

**MAILING ADDRESS:** Send all legal documents for properties located in **MISSOURI** within **60 days** of the foreclosure sale to the following address:

**DEPARTMENT OF VETERANS AFFAIRS  
LOAN GUARANTY DIVISION (263)  
400 SOUTH 18<sup>th</sup> STREET  
ST. LOUIS, MO 63103-2271**