

Regional Office
155 Van Gordon
Box 25126
Denver, CO 80225

Department of
Veterans Affairs

Information Bulletin

January 16, 2002

Loan Guaranty Letter 02-03
264-2

SUBJ: Loan Production Notification Requirements

PURPOSE

Department of Veterans Affairs (VA) provides annual notice to lenders on certain requirements relating to the VA Home Loan Program.

PAID-IN-FULL LOANS

Title 38 Code of Federal Regulations (38 CFR) Section 36.4333, Satisfaction of Indebtedness, requires lenders to notify VA whenever a guaranteed loan is fully satisfied by payment or otherwise. Please review loan records in your portfolio to ensure that all satisfied VA loans which have been liquidated, including those paid in full in advance of maturity, have been properly reported to VA.

PROCEDURE

If the guaranty is evidenced by VA Form 26-1899, Loan Guaranty Certificate, the certificate should be marked "PAID IN FULL", dated, signed by an authorized officer of the holder, and returned to VA. Loans on properties located in **Alaska, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming** should be reported to:

Department of Veterans Affairs (264)
155 Van Gordon Street
Box 25126
Denver, Colorado 80225

If the original certificate has been lost, please advise us in writing. This notification should include the VA loan number, the veteran's name, and reason the original certificate is not available. If a claim has been paid by VA, be sure the appropriate box is checked. If the guaranty is evidenced by endorsement of the indebtedness instrument, the holder should cancel the endorsement and notify VA.

BACKGROUND

The above requirement is essential and your cooperation is requested in keeping us fully advised of all loans paid in full. The Veterans Housing Act of 1974 permits us to restore a veteran's entitlement to loan guaranty benefits after the property has been sold and the prior loan paid in full. Therefore, it is very important all such loans be reported.

PRIOR APPROVAL LOANS

This is also to remind lenders that VA Form 26-1866, Certificates of Commitment, are valid for six months. We should be notified when a loan does not close or is canceled after we have issued a Certificate of Commitment.

LOANS REPORTED FOR GUARANTY

Loans should be reported for guaranty within 60 days of full disbursement per 38 CFR 36.4209 and 36.4303. If the loan is submitted more than 60 days after disbursement, a statement signed by a corporate officer of the lender is required, which identifies the loan and provides the specific reason(s) why the loan was not submitted on time. If the loan is closed on the automatic basis and is being reported late, a certification that the loan payments are current is also required.

ADDRESS CHANGE NOTICE

Please notify our office if we have an incorrect address for your company in our system. We are not able to include an attention line for a specific person in our addresses; therefore, we ask that you check to make sure all VA releases are being properly routed. If you are receiving duplicate copies of our releases, please let us know. Any change of address should be forwarded to our office on your letterhead.

VLINDA A. CHILDS
Loan Guaranty Officer

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Rescission:
Loan Guaranty Letter 01-05