



U. S. DEPARTMENT OF VETERANS AFFAIRS
Regional Office
210 Franklin Road S.W.
Roanoke, VA 24011

January 12, 1998

In Reply Refer To: 314/261

LOAN GUARANTY INFORMATION LETTER NO. 26-98-2

TO: ALL LENDERS, HOLDERS, AND SERVICERS

SUBJ: REVISED BIDDING INSTRUCTION PROCEDURE

Effective **February 1, 1998**, the Roanoke Regional Loan Center (RRLC) will no longer include VA Form 26-8903, Notice For Election To Convey And/Or Invoice For Transfer Of Property, with bidding instructions for foreclosure sales scheduled within our jurisdiction. Additionally, program participants will be required to submit their statements of account indebtedness (or completed VA Form 26-567, Status Of Loan Account - Foreclosure Or Other Liquidation) to be received by this office at least 30 days prior to the scheduled/estimated foreclosure sale date.

Background

VA Form 26-8903: VA has historically provided program participants with VA Form 26-8903 with foreclosure sale bidding instructions. Bidding instruction "packages" were sent by certified mail at considerable expense. In an attempt to reduce the mailing expense, VA began faxing the instructions and following up the fax by mailing (first class instead of certified) the packages to provide you with the forms.

Statement of Account Indebtedness: In order to provide timely bidding instructions, 38 CFR 36.4319(b) established a minimum number of days for program participants to deliver notices of sale, statements of account indebtedness and order liquidation appraisals. However, foreclosure time frames and local procedures differ greatly nationwide. Therefore, VA regional offices may establish longer time frames that do not violate the regulation.

Reasons for the changes

These changes will assist us to provide notice to obligors regarding the dates of the foreclosure sales as required by the Vail v. Brown decision. The Court ordered that VA must provide veterans with notice of a scheduled foreclosure sale between 20 and 60

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days prior to the sale. This change will also provide the necessary time to calculate bidding instructions and provide those instructions to you, our program participants.

Although we have been supplying the VA Form 26-8903, more than 95% of the loan holders conveying property to us do not use the station prepared form. Therefore, in an effort to reduce operating costs and streamline our bidding procedure, we will no longer provide the form or follow up faxed bidding instructions with mailed copies. We have enclosed a copy of the form to be used as a template for those loan holders who are not already producing or obtaining their own versions of the form.

Late statements of account

If we are unable to provide bidding instructions due to a holder's failure to submit a statement of account at least 30 days prior to the foreclosure sale date, interest will be limited to that cutoff date and instructions prepared for the next available sale date.

Reminder: Effective February 1, 1998 your statements of accounts for loans under our jurisdiction must be in this office at least 30 days prior to the foreclosure sale dates and we will no longer be supplying VA Form 26-8903s with our bidding instructions.

W. D. Hogan
Loan Guaranty Officer

Enclosure

261/26-98-2/WDH/djd