



DEPARTMENT OF VETERANS AFFAIRS
Regional Office
P.O. Box 1437
St. Petersburg, FL 33731-1437

January, 01 2008

In Reply Refer To: 317/262

INFORMATION BULLETIN 26-06-08

**TO: ALL FLORIDA, ALABAMA, MISSISSIPPI, PUERTO RICO
AND U.S. VIRGIN ISLANDS LENDERS**

SUBJ: LOAN PRODUCTION NOTIFICATION REQUIREMENTS

PURPOSE

To provide all lenders involved with the Department of Veterans Affairs (VA) Home Loan Program an annual reminder on certain requirements relating to the Loan Production Section.

PAID IN FULL LOANS

Section 36.4333 of the VA Regulations requires holders to report to the VA all paid in full loans. You are requested to review your portfolio to ensure that all VA guaranteed loans which have been paid in full have been properly reported to the VA. Repayments in full of loans guaranteed for repurchase under the provision of VA regulation 4600 are also to be reported.

PAID IN FULL REPORTING PROCEDURE

Where the guaranty is evidenced by a Loan Guaranty Certificate (VA Form 26-1899 or 26-1899cg), the Certificate should be marked "PAID IN FULL," dated, signed by an authorized official of the holder, and returned to the VA. Certificates for properties located in **Florida, Alabama, Mississippi, Puerto Rico and U.S. Virgin Islands** should be mailed to the Loan Production Section/262 at the address shown above.

If the original LGC has been lost, written notification should be sent instead. This notification should include the VA loan number, the veteran's name, the property address, and an explanation as to why the original Certificate is not available.

A copy of the canceled Mortgage Note or Satisfaction of Mortgage may be furnished as evidence on those loans guaranteed prior to issuance of a LGC.

PRIOR APPROVAL LOANS

Lenders should also notify the VA to cancel or withdraw loans that did not close for which a Certificate of Commitment (VA Form 26-1866) was previously issued. Certificates of Commitment are only valid for six months from the date of issuance, therefore extensions should also be requested if the loan does not close within that time frame.

FUNDING FEE REFUND REQUESTS

All refund requests made by the original lender, for payments made in the VA Funding Fee Payment System (VAFFPS), will be made in VAFFPS. Complete the appropriate fields, providing the explanations to support the refund. If the loan did not close and the funding fee was transmitted in error, please provide *specific details* why the loan did not close and why the funding fee payment was made prior to closing. Refund requests made by the lender/servicer, who is not the original lender, will be made in writing and submitted with all pertinent information to support such a request. Please be advised that if the refund is due to the veteran being over-charged, the refund amount will be returned to the veteran if the fee was paid in cash or it will be returned to the lender if the fee was financed into the loan amount and evidence of the principal balance reduction will then be required.

LOAN GUARANTY CERTIFICIATE CORRECTION REQUESTS

In order for corrections to be made to Loan Guaranty Certificates, the original must be returned along with proper documentation to support the requested change.

LENDER INFORMATION CHANGES

Please notify our office as soon as possible of any changes that would effect our lender records such as name changes or address changes. Notification of such changes should be made in writing and include your company's VA Lender Identification Number, old information, new information, and a contact point if further information or clarification is necessary.

BACKGROUND

The above requirements are to help assist us in keeping the VA Home Loan Program running effectively for both lenders and veterans. We thank you for cooperating with these requirements and if you have any questions about the items contained in this Information Bulletin, please feel free to contact our lender information line at 1-800-827-1000 extension 7500 if calling from within Florida, or at 1-888-611-5916, if calling from outside Florida.

DONNY FLORES

Loan Guaranty Officer