

## VA Lenders Handbook (VA Pamphlet 26-7), Chapter 1, Topic 3 — Lenders That are Considered Supervised

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3. Lenders That are Considered Supervised Change Date February 1, 2019 • This chapter has been revised in its entirety. a. Supervision by Certain Federal Entities VA considers any lender subject to mandatory periodic examination and supervision by any of the following Federal entities to be supervised: • The Board of Governors of the Federal Reserve System • The Federal Deposit Insurance Corporation • The Comptroller of the Currency • The National Credit Union Administration • The Farm Credit Administration Lenders supervised by these Federal entities are not required to request recognition from VA. Indicate which of the above Federal entities supervises the lender in the initial information package submitted to VA. If VA needs clarification of the lender's status, VA will request appropriate documentation from the lender. b. Circumstances under which VA Recognition as Supervised is Needed These instructions apply to a lender that wishes to be recognized as a supervised lender by VA, but is not directly supervised by one of the Federal entities listed in Topic 3, Subsection a, of this chapter. In such cases, the lender must request that VA specifically recognize it as supervised and must be a wholly owned subsidiary or affiliate of a VA recognized supervised lender. The relationship between a wholly-owned subsidiary or affiliate of a VA- recognized supervised lender and that supervised lender is to be the basis for recognition as supervised, documentation of the structure, capitalization, and ownership of the subsidiary or affiliate and its legal/financial relationship to the supervised lender must be submitted to the VA office with jurisdiction over the lender's home office. VA will inform the lender of its decision by letter. Continued on next page VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-9 3. Lenders That are Considered Supervised, continued d. If a Lender is Supervised A supervised lender has the authority to close VA-guaranteed loans on an automatic basis (without the prior approval of VA) except for certain types of loans that must be submitted to VA for prior approval by all lenders. These loan types are listed in Topic 1 of this chapter under "Prior Approval." The supervised lender must obtain VA recognition of agents it uses to make VA loans. See Topic 7 of this chapter for more information. If the lender uses an agent, it must submit the following to the VA office with jurisdiction over its home office by January 31 of each year: • a list of the VA-recognized agency relationships it wishes to renew, • the annual renewal fee (see Topic 10 of this chapter) for each lender agent that acts for the lender and had been recognized by VA as the lender's agent as of September 30 (120 days before payment is due), and • any other information requested by VA. Although VA offices may issue an annual reminder notice to lenders that the above information is due, lenders bear the ultimate responsibility for timely submission of the information and appropriate fees. Failure to pay annual renewal fees could result in loss of a lender's automatic processing authority. VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-10

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