

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 3, Topic 12 — Post-Guaranty Issues

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12. Post-Guaranty Issues Change Date November 8, 2012, Change 21 • This section has been changed to include hyperlinks. a. Corrections to LGCs LGCs are generated using data entered from several sources, including the VA Funding Fee Payment System (VA FFPS). If a lender discovers an error in reported data, such as date of loan closing, before they have generated the LGC, they must access the VA FFPS system to make the correction. This will then result in the correct closing date being shown when the LGC is obtained. If the error is discovered after the LGC has been generated, lenders will need to contact the appropriate VA RLC for assistance. An LGC with minor typographical errors that do not compromise accurate identification of the loan is valid. b. Replacement of Missing LGC with Duplicate A lender may obtain duplicate LGCs at any time simply by accessing the system and reprinting the LGC. c. Transfer of Loans It is not necessary to notify VA of the assignment of a guaranteed loan. d. Loan Assumptions The assumption of VA-guaranteed loans for which commitments were made on or after March 1, 1988, requires the approval of VA (or certain lenders on VA's behalf). Continued on next page VA Pamphlet 26-7, Revised Chapter 3: The VA Loan and Guaranty 3-27 12. Post-Guaranty Issues, Continued e. Paid-in-Full Loans Holders of VA-guaranteed loans are required to electronically report the date the loan was paid-in-full in the VA Loan Electronic Reporting Interface (VALERI) system. Lenders are required to report paid-in-full loans to VA upon full satisfaction of the loan by payment or otherwise. Lenders/servicers are not required to mail LGCs to VA when a loan is terminated. Since this information will now be reported through VALERI, there is no need to have the actual LGC returned to VA upon termination of the loan. f. Maintenance of Loan Records Lenders must maintain copies of all loan origination records on VA-guaranteed home loans for at least 2 years from the date of loan closing. Even if the loan is sold, the original lender must maintain these records (or legible copies) for the required period. Loan origination records include: • the loan application (including any preliminary application), • verifications of employment and deposit, • all credit reports (including preliminary credit reports), • copies of each sales contract and addendum, • letters of explanation for adverse credit items, discrepancies and the like, • direct references from creditors, • correspondence with employers, • appraisal and compliance inspection reports, • reports on termite and other inspections of the property, • builder change orders, and • all closing papers and documents. Lenders must make these records accessible to VA personnel conducting audit reviews.

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