

Transmittal of Change 41 to VA Pamphlet 26-7, Revised, VA Lender's Handbook (05/14/24)

To: Lenders and Other Participants in the VA Loan Guaranty Program

Purpose

Attached is a revision to Chapter 5, How to Process VA Loans and Submit Them to VA, of the VA Lenders Handbook.

Changes

- Topics 1 and 3 have been updated to replace references to the Regional Loan Center(RLC) with VA.
- Minor grammatical changes were also made throughout topics 1-4.
- Topic 1, section a, Order of Completion, has been updated to add a step for submission of VA Form 26-8937, Verification of VA Benefits, if the Veteran indicates they have a pre-discharge disability claim pending with VA.
- Topic 1 section b, How to Obtain a Certificate of Eligibility, has been updated to replace references to e-benefits with va.gov.
- Topic 1 section f, Requirements for Active-Duty Service members, has been updated with information on pre-discharge claim information.
- Topic 2 section a has been updated to replace the reference to the Veterans Information Portal and now refers lenders to Appendix B for information on submitting documents to VA.
- Topic 3 has been updated to remove references to processing requirements involving a VA-appointed fiduciary.
- Topic 3 section a, Loans to be Submitted for Prior Approval, has been updated to remove the prior approval requirement for loans involving a VA-appointed fiduciary, and to further clarify which types of loans are required to be submitted for prior approval.
- Topic 3 section c, How to Request Prior Approval, which previously provided the stacking order for prior approval requests for purchase/cash-out refinance loans, has been renamed and updated to refer lenders to the updated stacking orders provided in Appendix B, Topic 2.
- Topic 3 previous section e, Documentation Required for an IRRRL Prior Approval Package, has been removed from this Topic and moved to Appendix B Topic 2. All subsequent sections were re-lettered.
- Topic 3 previous section h, Changes Occurring After Issuance of the Certificate of Commitment, has been updated.
- Topic 3, previous section i, Conditional Certificates of Commitment, Table 4, has been updated to remove the conditional commitment condition for loans to be made to a Veteran and fiancé(e) who intend to marry prior to closing and who will hold title as Veteran and spouse.
- Topic 3 previous section k, How to Report Loan Closing and Request Guaranty, which previously provided the stacking order for reporting a closed prior approval loan, has been updated to refer lenders to the updated stacking orders provided in Appendix B, Topic 2.
- Previous section k, How to Report Loan Closing and Request Guaranty, has been updated with additional information related to the late reporting certification required if the loan is not reported in a timely manner.
- Topic 4 Section a, How to Request Guaranty, has been updated with additional information related to the late reporting certification required if the loan is not reported in a timely manner.
- Topic 4 section b, Documents Required if the Lender is Unable to Obtain an Electronic LGC, has been updated to remove the stacking order for manual guaranty requests and to direct the lender to the updated stacking order in Appendix B Topic 1.
- Topic 4 section c, Full File Loan Review (FFLR) Procedures, has been updated to remove the stacking orders for VA FFLR requests and to direct the lender to the updated stacking orders in Appendix B.
- Previous Topic 5, Other Necessary Documents to Submit, has been removed and its contents have been added to Appendix B. The subsequent Topic, Processing Loan Assumptions by the Current Servicer or Holder of the VA Loan, has been renumbered, no other changes were made to this topic.

Additional Copies

Additional copies may be downloaded at https://benefits.va.gov/WARMS/pam26_7.asp.

John E. Bell, III
Executive Director
Loan Guaranty Service