

9.01 VA PURCHASE - GENERAL (38 C.F.R. § 36.4320) (08/12/24)

a. A VA Purchase is when the VA elects to exercise the authority at 38 U.S.C. § 3732 to purchase a delinquent loan from the holder and provide for loan servicing responsibilities. Depending on the type of VA purchase, either (i) VA then holds the loan in VA's own loan portfolio and modifies the loan to resolve the delinquency and make the payments more affordable for the Veteran, or (ii) the servicer modifies the loan to bring it current before VA purchases it and boards it in VA's own loan portfolio. In general, VA uses this authority to assist Veterans who are most at-risk of foreclosure and cannot resolve their delinquency through traditional home retention and loss-mitigation options.

b. VA has established two types of VA Purchase under VA's implementing regulation at 38 C.F.R. § 36.4320:

1. Traditional VA Purchase (tVAP) – Loan is evaluated by VA on a case-by-case basis when VA determines this option may be in the best interest of both the Veteran and VA.

2. VA Servicing Purchase (VASP) – Loan is evaluated by the servicer under streamlined criteria. This option may be available when it is the most appropriate home retention option under VA's Home Retention Waterfall.

c. A borrower cannot elect to use the tVAP or VASP programs. The programs are offered to a borrower based on a review of all home retention options available and qualifying criteria.