

Products...As-Is...Business Line...Loan Guaranty

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1. Loan Guaranty

The major functions within this business line are the seven items denoted surrounding "VBA" (the administration responsible for carrying out these actions): Eligibility Determination, Appeals, Customer Service, Program Management, Program Integrity, Outreach, and Account Maintenance. This diagram shows the major stakeholders and some of the relationships between those stakeholders, the agency, and its denoted functions.

Scroll down for descriptions of objects shown in this diagram. Clicking over a function name can directly bring up related process diagrams and activity descriptions.

Links to Z11 (listed alphabetically)	
Name	Description
Agency Funding Requests	Budget proposals and other forms of requests for funding that VA sends to Congress and other funding approval bodies.
Agency Reports	Standard and ad-hoc reports about VA operations that are prepared and submitted to external organizations and oversight groups.
Agreements and Contracts	Formal agreements and contracts with parties outside VA .
Appeals	Formal requests for reconsideration of eligibility for benefits and services administered by the Department of Veterans Affairs.
Entitlement Information	Information relating to the applicant's entitlement. This information includes the number of months of original entitlement and the number of months of remaining entitlement.
Financial Services	Enterprise accounting and finance service resources provided by organizations internal to VA.
Industry Regulations	Official resource guidelines developed by outside industry regulatory groups.
Information on Veterans and Beneficiaries	Demographic and personal information provided by

	veterans and other program beneficiaries that are part of VA's information resource.
Legislation and Executive Orders	Laws and Executive Orders that either define or limit the scope of VA activities, products and services.
Loan Account Information	Information about veteran's loan account, information related to Program underwriting requirements (income and credit standards), and property eligibility requirements qualified to be considered a VA loan.
Loan Account Information	Information about veteran's loan account, information related to Program underwriting requirements (income and credit standards), and property eligibility requirements qualified to be considered a VA loan.
Loan Guarantees	Loan guaranty products made available to individuals, groups, and organizations outside the VA .
Military Service Information	Information about a military person provided by the Department of Defense that are part of VA's information resource.
Official Government Guidance	Government circulars and other official guidance from external organizations that affect VA's operations.
Program Information	Information about programs administered or implemented by VA .
Public Opinion	Feedback from the general public regarding the operations of the VA or ideas about any of the products and services that VA provides.
Reimbursements	Reimbursement amounts given to program beneficiaries, service partners, and other entities outside the VA organization.

Requests for VA Actions	Information contained in requests for VA action coming from sources external to VA .
Subsidies	Financial subsidies given by VA to State governments and other program partners.
VA Program Funds	Monetary resource products from external sources for use in funding VA programs.

Links to Z12 (listed alphabetically)	
Name	Description
Account Maintenance	This function includes activities associated with providing loan administration (servicing) on defaulted loans and the resale of property.
Appeals	This function provides decision-making on loan guaranty-related eligibility appeals and approval appeals.
Customer Service	This function provides public information about the Loan Guaranty Program.
Eligibility Determination	This function focuses on determination of eligibility for Loan Guaranty benefits.
Loan Processing	This function focuses on closing and processing VA home loans.
Outreach	Title 38 requires VA to inform veterans, service personnel, reservist, dependents, and other eligible persons about all VA benefits he/she may be eligible to receive. The Outreach program is designed to provide this information, as well as any changes to this information, through many different mediums. These include briefings to service personnel upon before and upon separation, mail outs, websites, etc.
Program Integrity	The Program Integrity function implements security, procedures, and processes to ensure the integrity of data and the oversight of benefits processes.

Program Management	This function provides long-range strategic analysis and forecasting of VA program financial requirements and status, and support for policy/legislative initiatives. Many activities are required to run benefits programs.
Program Participant Approval	This function evaluates and approves program participants such as Lenders, appraisers and other fee personnel for participation in the program and evaluates other participants such as builders, real estate agents, and servicers for participation in the Loan Guaranty program.
Property Management	When a loan is defaulted upon and the lender forecloses, the property may pass into the possession of VA. This function manages the maintenance and disposal of such properties.

Links to Z14 (listed alphabetically)	
Name	Description
Department of Defense	An executive department of the U.S. Government consisting of the Secretary of Defense and his office, the War Council, the Joint Chiefs of Staff, Joint Staff and joint agencies, as well as the Departments of the Army, the Navy, and the Air Force. It is headed by the Secretary of Defense.
Dependents	Qualifying dependents for VA benefit purposes who may be a veteran's spouse or child (natural child, adopted child, or stepchild). A veteran's mother or father may also be considered a dependent generally if there is financial need and he or she is otherwise entitled.
Government Policy Makers (Owners)	A category of VA stakeholders. Stakeholders falling under this category possess the authority to create and enforce major government policies and regulations that affect the Department of Veterans Affairs.

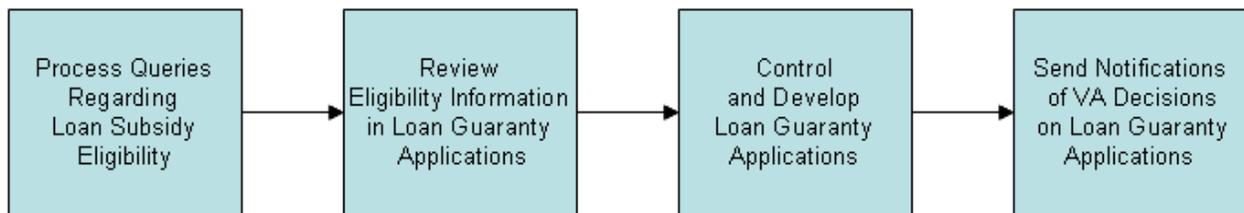
Ineligible Beneficiaries	Discharged military persons and members of their families who, for various reasons, are not entitled to certain VA benefits and services at a particular point in time.
Lending Institutions	Banks and other financing institutions that provide housing loans to veterans and members of their families.
Program Beneficiaries (Customers)	A category of VA stakeholders. This group of stakeholders is composed of people who are directly served by the VA.
Public	A category of V A stakeholders. Stakeholders falling under this category possess the power to elect people who hold public offices, the ability to pay government taxes, and assist government in other ways.
Regulators	A category of VA stakeholders. Stakeholders that belong to this group possess the authority to develop quality and performance standards that VA needs to uphold.
Survivors	Surviving spouse and children of a deceased veteran.
Veterans	A person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.
Veterans Benefits Administration (VBA)	The VBA is one of the three Administrations under the VA. VBA provides benefits and services to the veteran population through 58 VA regional offices. Some of the benefits and services provided by VBA to veterans and their dependents include

	compensation and pension, education, loan guaranty, and insurance.
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Links to Z22 (listed alphabetically)	
Name	Description
Account Maintenance	This function includes activities associated with providing loan administration (servicing) on defaulted loans and the resale of property.
Appeals	This function provides decision-making on loan guaranty-related eligibility appeals and approval appeals.
Customer Service	This function provides public information about the Loan Guaranty Program.
Eligibility Determination	This function focuses on determination of eligibility for Loan Guaranty benefits.
Loan Processing	This function focuses on closing and processing VA home loans.
Outreach	Title 38 requires VA to inform veterans, service personnel, reservist, dependents, and other eligible persons about all VA benefits he/she may be eligible to receive. The Outreach program is designed to provide this information, as well as any changes to this information, through many different mediums. These include briefings to service personnel upon before and upon separation, mail outs, websites, etc.
Program Integrity	The Program Integrity function implements security, procedures, and processes to ensure the integrity of data and the oversight of benefits processes.
Program Management	This function provides long-range strategic analysis and forecasting of VA program financial requirements and status, and support for policy/legislative initiatives. Many activities are required to run benefits programs.

Program Participant Approval	This function evaluates and approves program participants such as Lenders, appraisers and other fee personnel for participation in the program and evaluates other participants such as builders, real estate agents, and servicers for participation in the Loan Guaranty program.
Property Management	When a loan is defaulted upon and the lender forecloses, the property may pass into the possession of VA. This function manages the maintenance and disposal of such properties.

1.1. Eligibility Determination



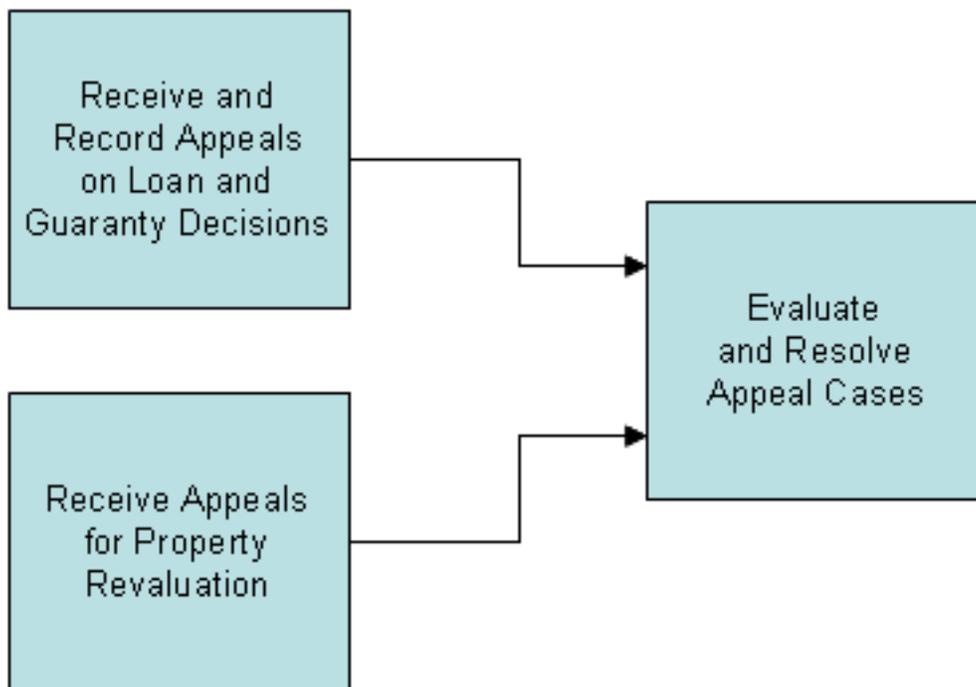
Reference(s):

- Loan Guaranty Eligibility.html

Links to Z22 (listed alphabetically)	
Name	Description
Control and Develop Loan Guaranty Applications	Place applications under control and acquire additional information required to make loan guaranty eligibility analyses. Give advice to veterans on how to improve their chances of approval.
Process Queries Regarding Loan Subsidy Eligibility	Based on requests from lenders, determine if veteran borrowers are eligibility for VA-subsidized loans. Compute maximum amounts of entitlement if they are eligible and send lenders entitlement feedback.
Review Eligibility Information in Loan Guaranty Applications	Receive and record applications for VA guaranty on individual loans. These applications are received

	from veterans who previously applied for subsidized loans but were not eligible for such loans.
Send Notifications of VA Decisions on Loan Guaranty Applications	Make eligibility decisions. Formally inform veterans and lending institutions of VA approval or disapproval. VA issues Loan Guaranty Certificates of Eligibility in cases of favorable decisions.

1.2. Appeals



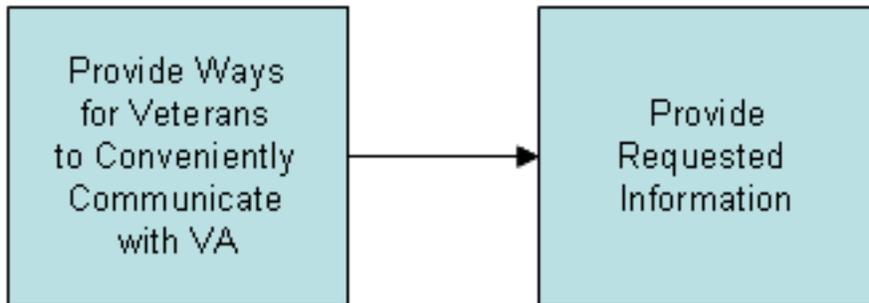
Reference(s):

- [Loan Guaranty Appeals.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Evaluate and Resolve Appeal Cases	Decide on appeal cases. Regional loan centers or two

	(2) Regional offices can decide appeals.
Receive and Record Appeals on Loan and Guaranty Decisions	Receive requests for reconsideration from veterans who have the right to appeal denial of eligibility or loan disapproval.
Receive Appeals for Property Revaluation	Receive appeals from any party contesting the results of appraisals and their resulting property valuations as reflected in Notices of Value (NOV). Appeals can be received via mail and telephone.

1.3. Customer Service

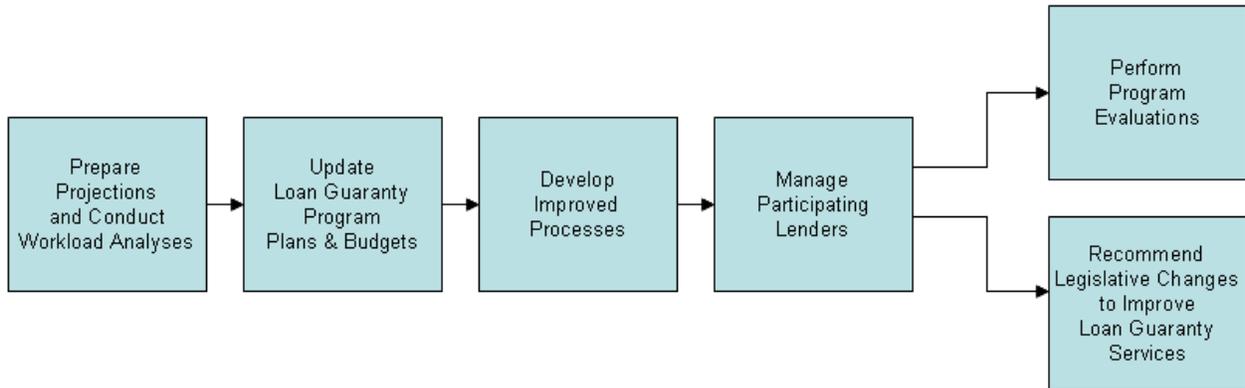


Reference(s):

- [Loan Guaranty Customer Service.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Provide Requested Information	Take calls, respond to inquiries, answer questions. Research and provide feedback on loan guaranty inquiries, as well as status information on payments, requests, and appeals. Answer written or phoned-in inquiries.
Provide Ways for Veterans to Conveniently Communicate with VA	Open up a variety of venues by which the public can send requests, complaints, and inquiries related to VA loan guaranty programs.

1.4. Program Management



Reference(s):

- [Loan Guaranty Program Management.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Develop Improved Processes	Find ways to improve the efficiency and economy of veterans loan and loan guaranty services. Implement improved procedures.
Manage Participating Lenders	Oversee the operations of participating lenders as required by OMB, GAO and specific legislation. Manage the relationships with lenders and check their compliance with provisions of formal agreements.
Perform Program Evaluations	Establish performance standards and evaluate program operations with the use of these standards. Perform quality checks via loan guarantee account reviews.
Prepare Projections and Conduct Workload Analyses	Analyze trends in demand for veteran loans and loan guarantees.
Recommend Legislative Changes	Lead efforts to institute legislative changes that will tend to improve the affectivity of VA loan guaranty

	programs. Recommend new legislation, or amendments to existing ones.
Update Loan Guaranty Program Plans & Budgets	Develop plans and budgets based on projected growth in loan guaranty accounts and other program support requirements.

1.5. Property Management

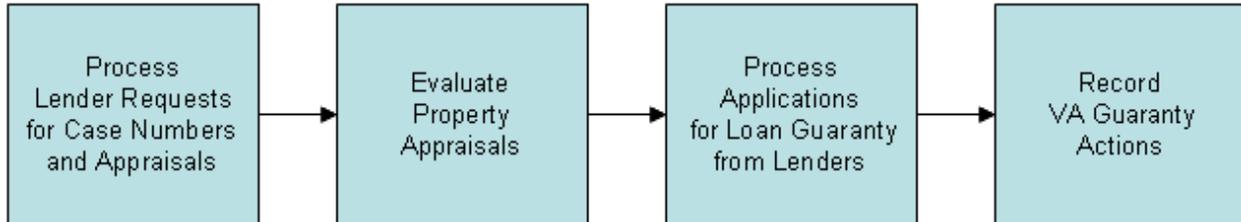


Reference(s):

- [Loan Guaranty Property Management.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Oversee the Portfolio Contractor	Oversee the operations of the contractor assigned as the loan servicing agent acting on behalf of VA. (Countrywide Home Loans (CHL) currently serves as portfolio contractor. CHL provides administration of vendee loans.)
Provide Buyer Financing of Foreclosed Properties Acquired by VA	When required, VA will process direct loans to buyers of foreclosed properties that VA has previously acquired.
Supervise Liquidation Sale of Reacquired Properties	Supervise the operations of VA property management (PM) brokers that handle the sale of VA-acquired properties. The broker lists and shows property, acts as VA agent, finds buyers, and obtains financial information on borrowers when necessary.

1.6. Loan Processing

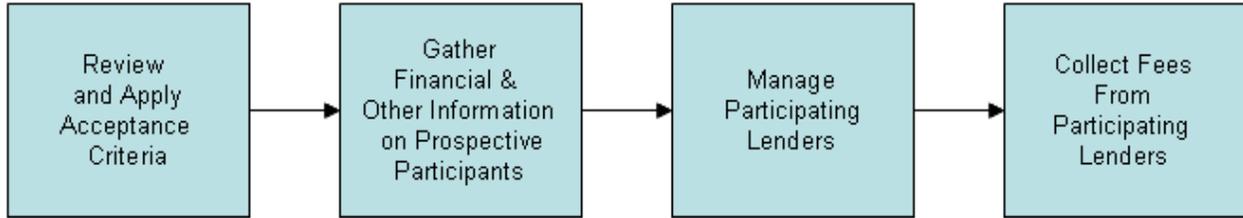


Reference(s):

- [Loan Guaranty Loan Processing.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Evaluate Property Appraisals	Review appraisers' opinions of value (if not a Lender Appraisal Processing Program (LAPP) case). Make adjustments as needed, and prepare a Notice Of Value (NOV). Send NOV's to Lenders.
Process Applications for Loan Guaranty from Lenders	Receive and record loan guaranty applications submitted by lenders. Determine if VA guaranty is appropriate for specific cases. Decide on guaranty applications and inform lenders of the decisions.
Process Lender Requests for Case Numbers and Appraisals	Assign case numbers (VA loan Identification Number) and appraisers from VA's fee panel based on lenders' requests. Notify lenders and appraisers of new assignments.
Record VA Guaranty Actions	Update guaranty accounts and entitlement data in VA systems of record.

1.7. Program Participant Approval

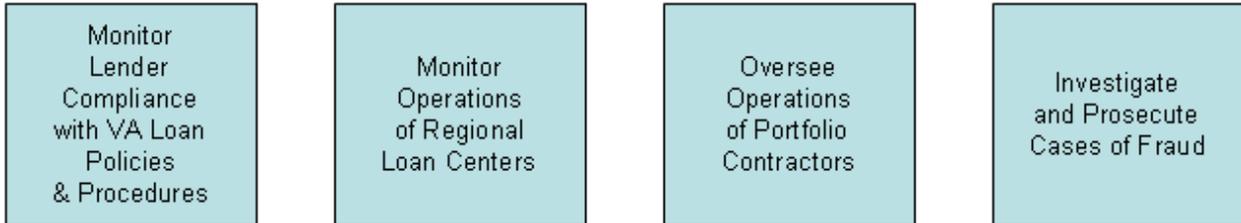


Reference(s):

- [Loan Guaranty Participant Approval.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Collect Fees from Participating Lenders	Collect one-time fee for Non-Supervised Lender’s underwriters, and Staff Appraiser Reviewers. Collect annual fees required to be submitted for lender’s agents and used on an ongoing basis (more than four times per year).
Gather Financial & Other Information on Prospective Participants	Evaluate the qualifications and financial integrity of lenders, appraisers, and other fee personnel wanting to participate in VA loan and loan guaranty programs.
Manage Participating Lenders	Assure Federal/State Regulatory Agencies (SRA) mandatory periodic examinations of Supervised Lenders. Monitor Non-Supervised Lenders during their probationary periods. Review financial statements and agents' qualifications of Non-Supervised Lenders.
Review and Apply Acceptance Criteria	Review required qualifications of program participants. Match applicants' credentials and situations with these acceptance criteria, and decide if applicants meet the acceptance criteria. Categorize participating lenders according to supervision need.

1.8. Program Integrity



Reference(s):

- [Loan Guaranty Program Integrity.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Investigate and Prosecute Cases of Fraud	Institute safeguards to minimize the opportunity for fraud. Detect and investigate fraudulent loans. Refer cases to the Inspector General's (IG) Office.
Monitor Lender Compliance with VA Loan Policies & Procedures	Conduct lender audits (Nine (9) Regional loan centers provide oversight of lenders in their region of jurisdiction.) Task Monitoring Units (MU) to perform more in-depth analysis. Perform medium and small audits at VA sites. Conduct large and medium audits at lender locations.
Monitor Operations of Regional Loan Centers	Deploy Survey Teams to perform oversight of Regional Loan Centers (all LGY OPS) operations.
Oversee Operations of Portfolio Contractors	Perform Portfolio Loan Oversight Unit (PLOU) oversight of Portfolio Contractor on Vendee Loans.

1.9. Outreach



Reference(s):

- [Loan Guaranty Outreach.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Identify and Pursue Outreach Opportunities	Contact veterans groups and send the latest information on loan guaranty programs. Arrange for veterans briefings at various military discharge points, and big gatherings of veterans.
Prepare Promotional Materials about the Loan Guaranty Program	Develop promotional materials and reproduce them for distribution to other VA organizations and third parties during outreach events. Send information to VA- approved training institutions.
Train Employees Involved in the Loan Guaranty Program	Brief program employees on the latest policies and procedures in providing loan guaranty services to veterans.

1.10. Account Maintenance



Reference(s):

- [Loan Guaranty Account Maintenance.html](#)

Links to Z22 (listed alphabetically)	
Name	Description
Maintain Sale Information on Liquidated Assets	Maintain information on sale of property (case number, other data).
Provide Financial Counseling for Veteran Borrowers	Assist borrowers in solving loan repayment problems. Counsel borrowers on repayment plans, use of deeds in lieu of foreclosure, VA refunding, or compromise sales.
Update Guaranty Account Information	Update account records based on new information provided by veterans and lenders. Record Notices of Value (NODs) provided by VA or lender appraisers.