



VA LOAN GUARANTY PROGRAM

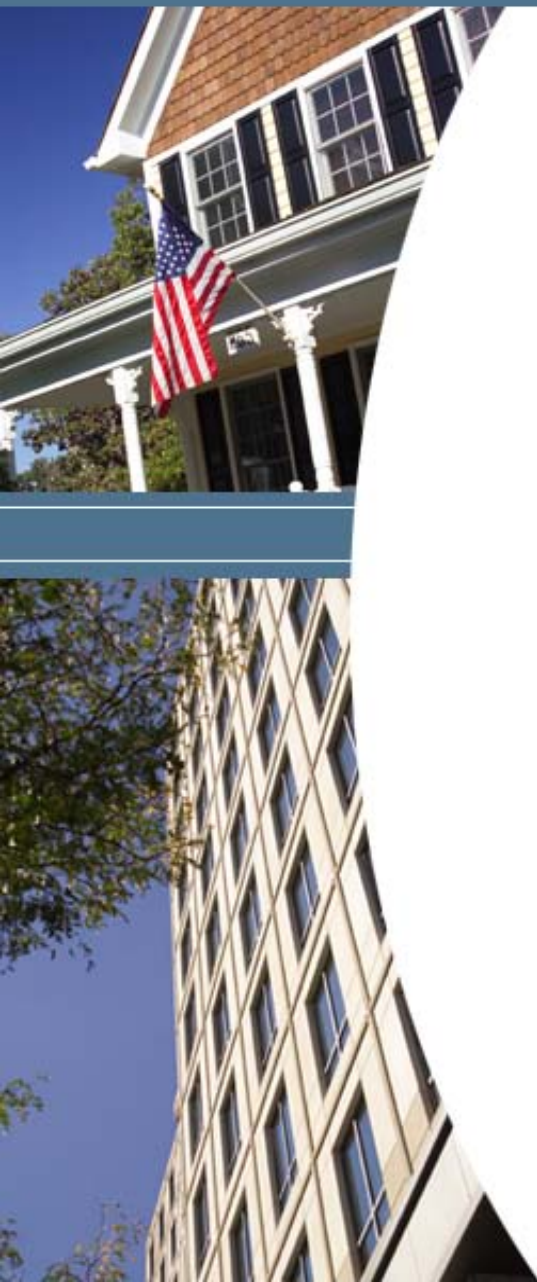
A Solid Program. A Solid Future.



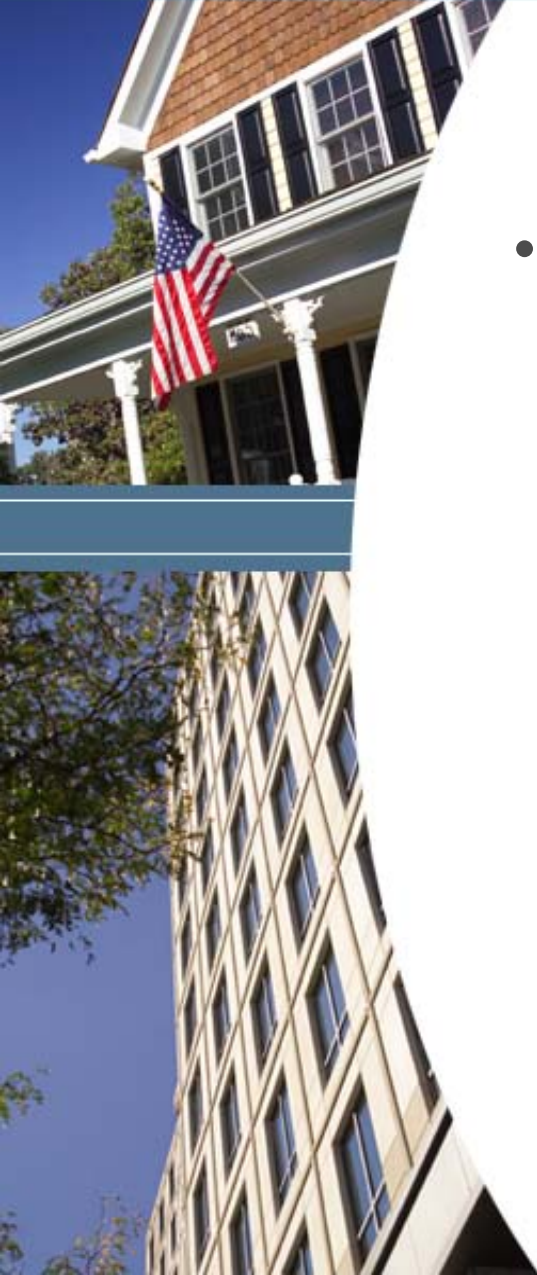
FACTS AND FIGURES

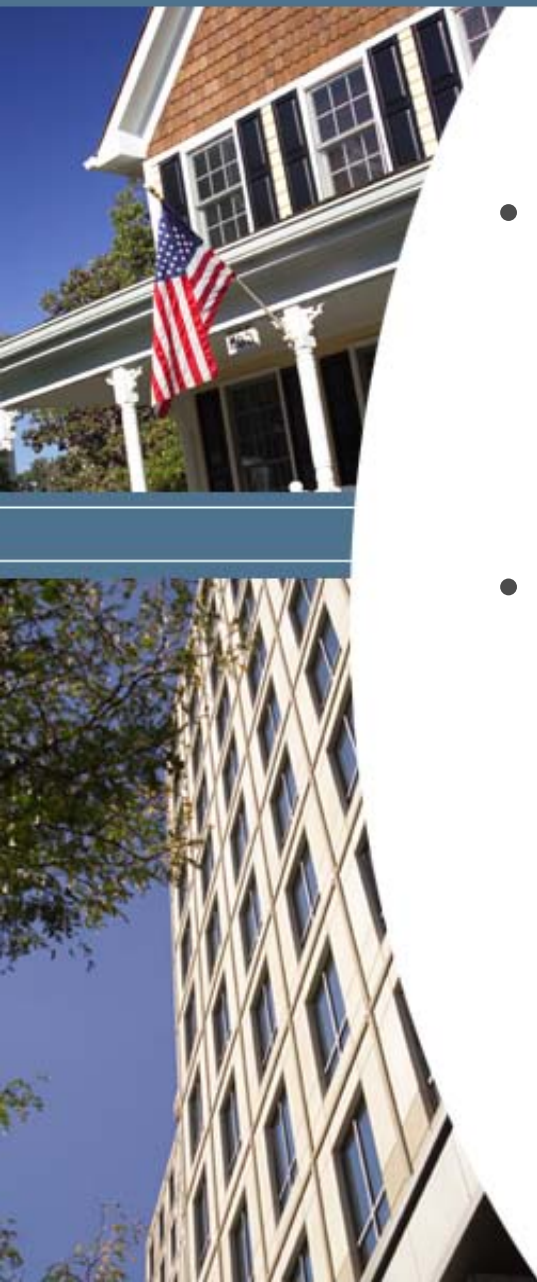
- 
- **325,671** loans guaranteed in FY '09
 - » 180,889 purchases
 - » 144,782 refinances
 - **175,273** loans guaranteed FYTD 2010 (thru April)
(projected for FY – 290,200)
 - » 105,643 purchases
 - » 69,630 refinances
 - **290,200** loans projected for FY 2010
 - Per latest MBA data, VA's foreclosure inventory is 2.46%

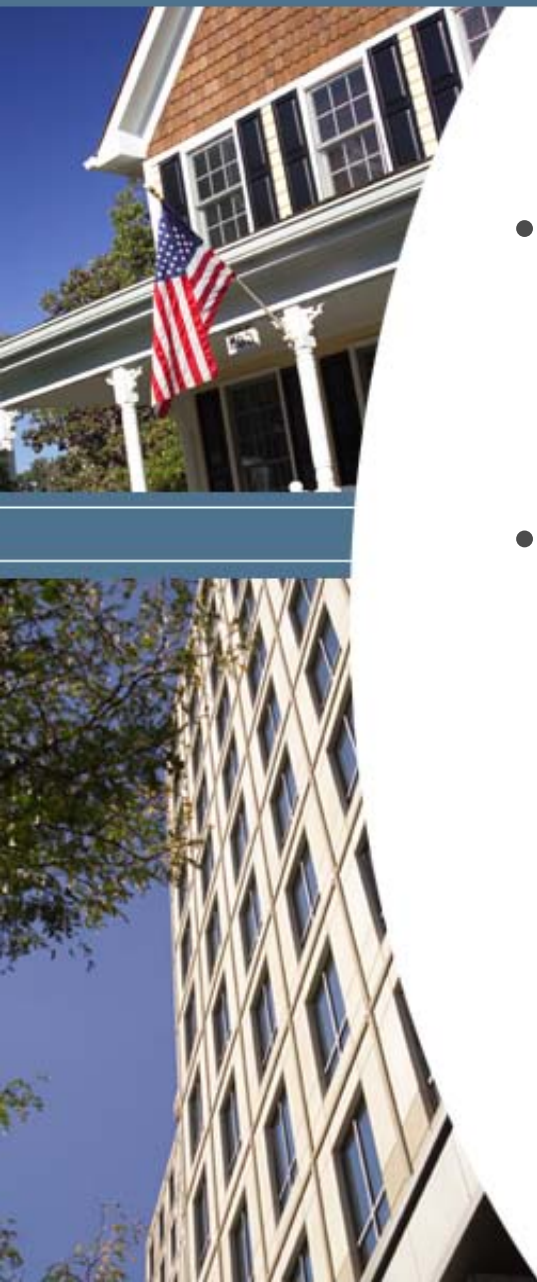
TOP STATES - 2009

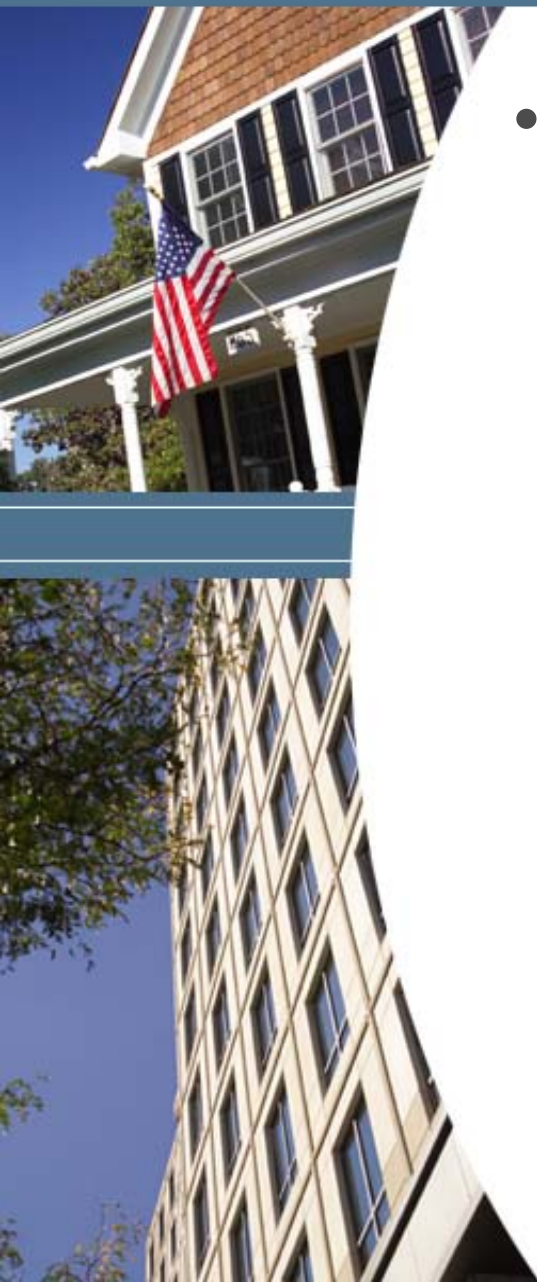


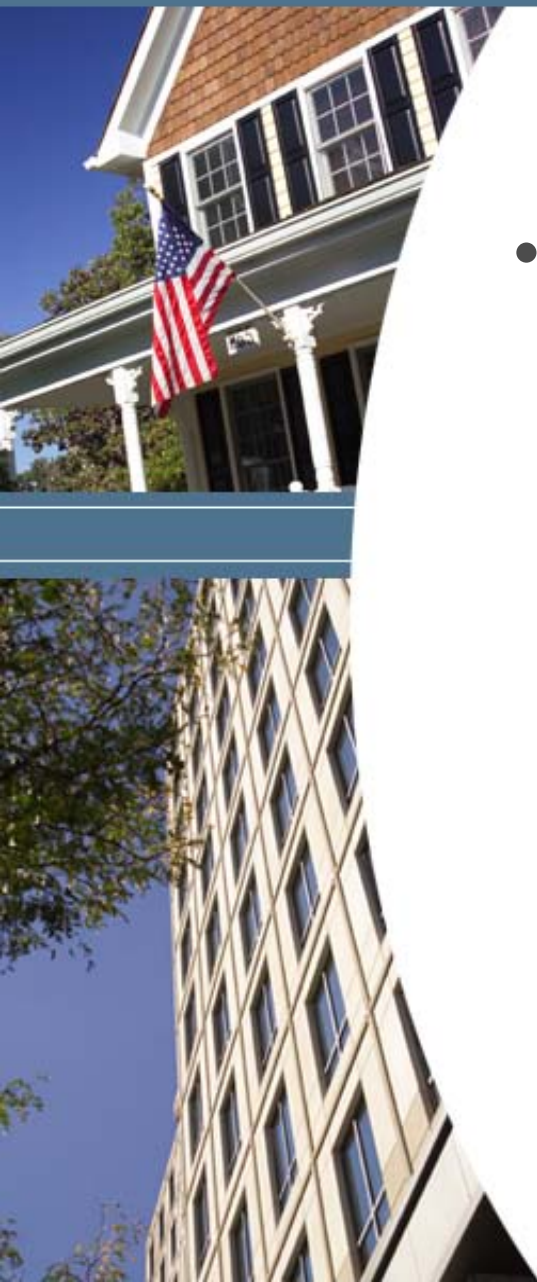
- **Texas** 32,410
- **Virginia** 26,543
- **California** 21,602
- **N. Carolina** 20,548
- **Florida** 19,679
- **Georgia** 15,915
- **Washington** 14,899
- **Colorado** 12,610
- **Arizona** 11,890
- **Tennessee** 8,751

- 
- **SHORT SALE POLICY**
 - » No required waiting period after short sale
 - » Case by case evaluation
 - Review overall credit history!
 - » If previous home was VA, any claim paid could affect VA entitlement.

- 
- **VA FEES & CHARGES POLICY IS UNCHANGED!!**
 - » Allowable & unallowable charges are the same as before January 1, 2010, when RESPA changes took effect.
 - **WILL VA REVISIT FEES AND CHARGES REGS?**
 - » **YES!!** We recognize that, at a minimum, clarification is needed in some areas.
 - » The fees & charges are in regulation form, so the public will have an opportunity to comment on changes.

- 
- **RESPA CHANGES MEAN SOME ITEMIZATION**
 - » Necessary to ensure only allowable fees are paid by veteran.
 - **GOOD FAITH ESTIMATE & HUD-1 MUST BE COMPLETED PER RESPA**
 - » Lenders can provide additional “addendums” for clarification and/or itemization.

- 
- **ELIGIBILITY & ENTITLEMENT ISSUES**
 - » Vets can now apply online for a Certificate of Eligibility (COE) at www.homeloans.va.gov
 - » **Tip!!!** When basic entitlement on COE shows zero, vet could have remaining entitlement if:
 - New loan will be > \$144,000.
Read the “fine” print on COE.
 - » Why doesn't VA simplify entitlement structure?
 - **This is set by law.**

- 
- **VERIFICATION OF VA BENEFIT
(VA Form 26-8937)**
 - » **Process will be automated**
 - » **Funding Fee exempt status will be displayed
on COE**

CREDIT POLICY CHANGES?



SHORT TERM

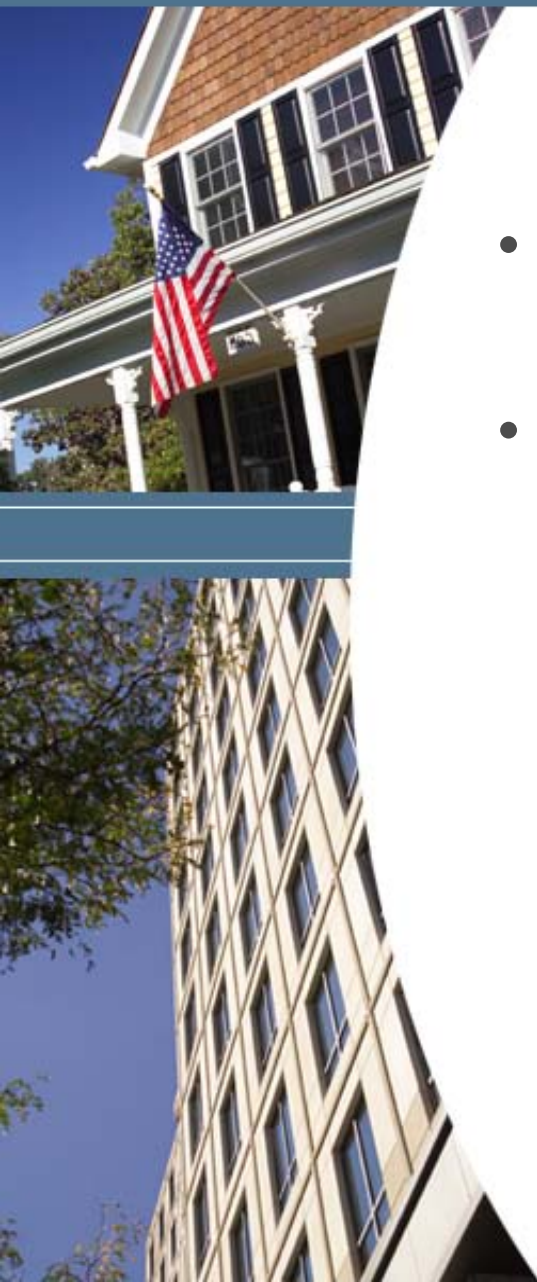
- No major changes anticipated.
- No plans to institute a credit score requirement.

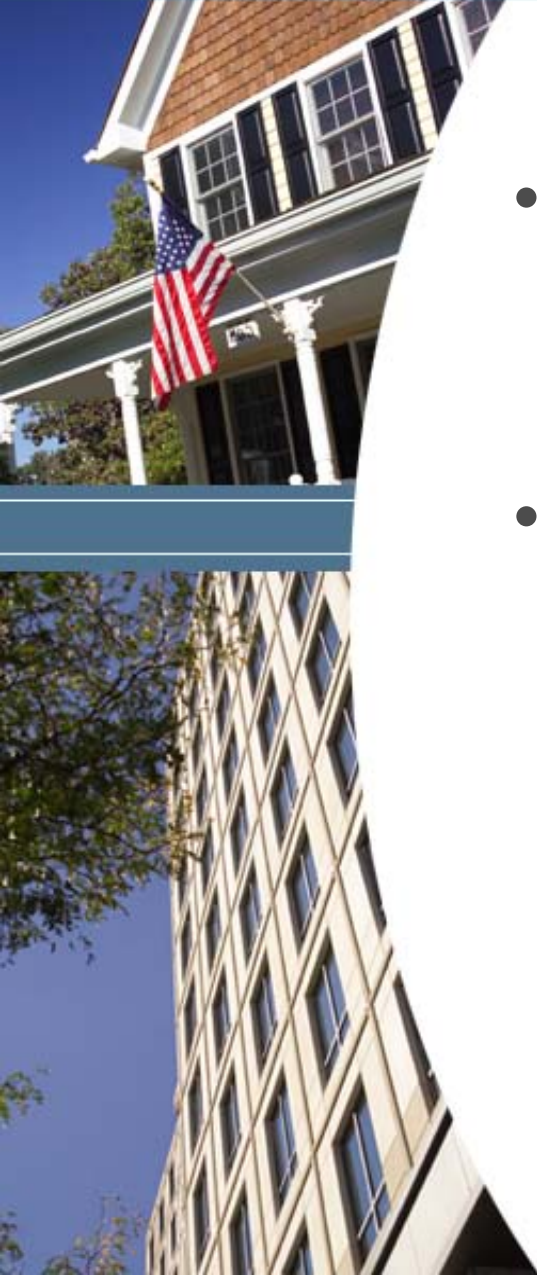


LONG TERM

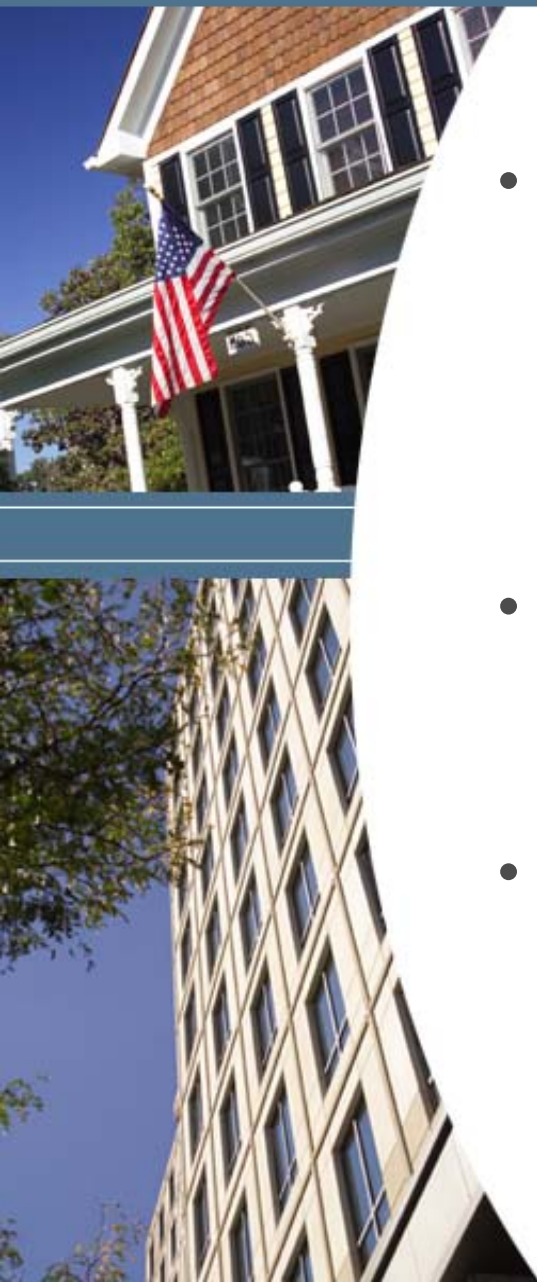
- Residual income guidelines will be updated
- This would require regulation change, allowing for public comment.

DEFICIENCY LETTERS

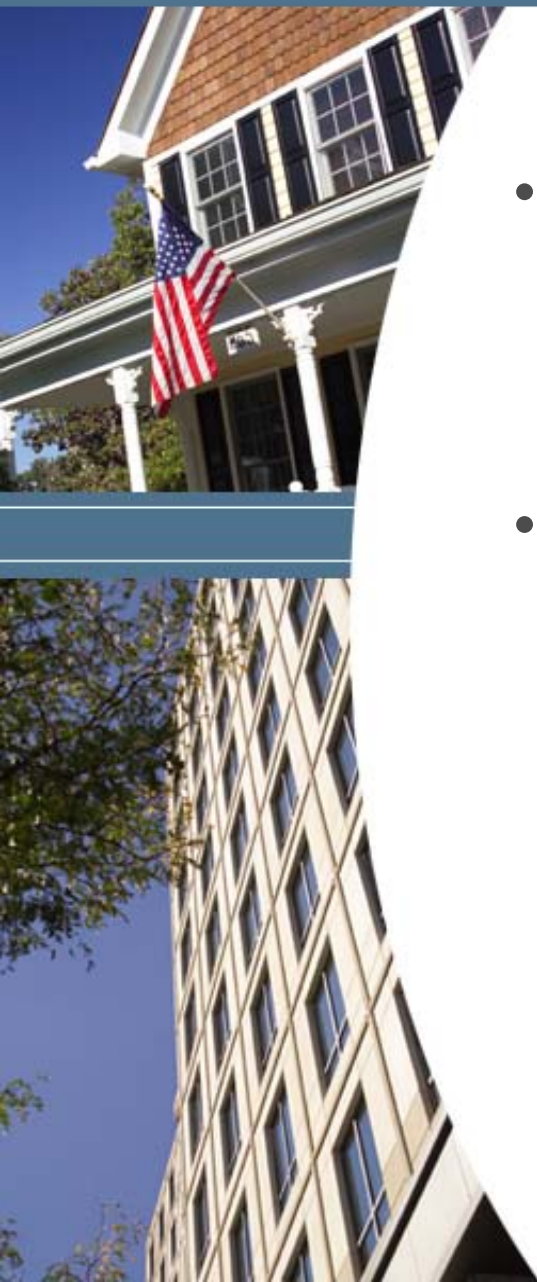
- 
- **Not meant to be “nit-pick”.**
 - **Lenders should document the file**
 - » **Comments on loan analysis or separate page**
 - » **Anything to help reviewer understand your reasoning – especially on marginal issues.**

- 
- Important to comply with “conditions” on feedback.
 - Do lenders have to approve an “Approve” case?
 - » AUS provides a risk classification.
 - » Lender’s decision to make the loan.

THANK YOU!!!

- 
- **Thanks to all who help deliver the home loan benefit. It's a very successful partnership and your participation in the program is very much appreciated.**
 - **VA is proud to have a mutually beneficial relationship with MBA and its members.**
 - **We strive to provide training to lenders & maintain open lines of communication.**

VA Loans are Different

- 
- All the loan programs have important missions to fulfill.
 - The VA loan program is no exception, but it has one important distinction:

» IT'S A BENEFIT FOR MEN AND WOMEN WHO HAVE SERVED IN THE ARMED FORCES!!!

CONTACT INFORMATION

- Email questions or comments to:

Thomas H. Buffton, Jr.

thomas.buffton@va.gov - issues involving Loan Guaranty for NC, SC, TN and GA.

William (Bill) White

william.white1@va.gov - issues involving VA Loan Policy

Gerald Kifer

gerald.kifer@va.gov - issues involving VA Appraisal Policy