



**Department of Veterans Affairs**  
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[www.vba.va.gov/ro/houston/lgy/home.html](http://www.vba.va.gov/ro/houston/lgy/home.html)

February 13, 2007

**BULLETIN NO. 2007- 04**

**TO: ALL HOLDERS AND SERVICERS  
(CLAIMS DEPARTMENT)**

**SUBJ: CLAIMS UNDER LOAN GUARANTY AND MAXIMUM AMOUNTS  
REIMBURSED FOR EXPENSES**

**Purpose**

This bulletin announces appraisal fee increases effective February 1, 2007, for liquidation appraisals on properties in the states of **Arkansas, Louisiana, Oklahoma** and **Texas**. The bulletin also updates the maximum amounts that this RLC will reimburse on the claim for the expenses associated with the termination of VA loans in these states.

It is not our intent to regulate the amounts that holders and servicers pay for servicing and liquidating mortgage loans. Our purpose is to specify the maximum amounts that will be reimbursed by this RLC.

**When To Submit The Claim**

Claims should be submitted to VA as soon as possible following termination of the loan. Generally, a claim should not be submitted until all expenses involved with terminating the loan have been paid. If taxes are due and payable within 30 days after the date of conveyance or transfer of the property to VA, the holder must pay the taxes (See 38 CFR 36.4320(h)). Holders may submit supplemental claims for items omitted from the original claim or disallowed by VA due to insufficient documentation. Please see the paragraph below for more information about supplemental claims.

**Claim Forms**

A properly completed VA Form 26-1874 is required so that VA will have the necessary information on which to base its computation of the claim. Care should be taken to see that the claim form is completed in detail in accordance with the instructions on the form and that it is properly certified and dated before submission to the RLC together with the required supporting documents.

VA Form 26-1874a, Claim Form Addendum - Adjustable Rate Mortgages was created to assist holders in supplying required additional information to VA on ARM loans. This form must be submitted to VA with VA Form 26-1874 unless it was provided with VA 26-567 to obtain bidding instructions for the foreclosure sale.

The latest versions of the claim forms discussed above are available at our website, [www.vba.va.gov/houstonrlc.htm](http://www.vba.va.gov/houstonrlc.htm).

**Documents Required With The Claim Form**

The documents listed below must be submitted with VA Form 26-1874. Forward all documents in one package. Incomplete packages cannot be processed and will be returned.

1. Copy of the payment history from the inception of the loan or at a minimum from the date of default or the date of the first advance that is claimed in Item 12 of VA Form 26-1874 if it is earlier than the date of default.
2. Copy of the paid and itemized receipt for each advance or liquidation expense claimed in Items 12 and 13 of VA Form 26-1874.
3. Copies of all deeds transferring title from the original veteran-obligor through the owner holding title at liquidation.
4. Bankruptcy docket report or equivalent (if applicable).
5. Copy of the Substitute Trustee's/Trustee's or Sheriff's deed or Confirmation of Sale showing the amount bid at the sale when the property is not conveyed to VA.

**Additional Documents Which May Be Required**

In some situations, additional documents are required. Claim payments will be delayed or reduced unless these additional documents are submitted with the claim package when appropriate.

1. When the original veteran is not the current owner of the property, the original Deed of Trust Note or Mortgage Note endorsed to the Secretary of Veterans Affairs, or a copy with a lost note affidavit indemnifying the Secretary of Veterans Affairs will be required. For Louisiana loans, a copy of the note is sufficient. The lost note affidavit is not required.
2. A copy of the recorded deed from the holder to VA when a deed in lieu of foreclosure has been accepted.
3. When a deficiency judgment is obtained, provide the original, recorded document assigning the judgment to the Secretary of Veterans Affairs.
4. Copy of each notice sent to a liable obligor pursuant to 38 CFR 36.4317 when claiming the \$10 liquidation expense.

**Disclaimer**

There will be cases when documents other than those listed will be required in order to determine whether or not reimbursement for an item is appropriate. When a decision cannot be made based on the information available, servicers will be contacted by telephone or e-mail and given an opportunity to submit the additional documentation. If the information is not received timely, reimbursement for that item will be disallowed, or the claim will be returned without processing. Please provide a name, telephone number, and e-mail address on VA Form 26-1874.

**Mail The Complete Claim Package To:**

VA Regional Office  
Loan Administration Section  
(264)  
6900 Almeda Road  
Houston, TX 77030-4200

**Maximum Amounts Reimbursed By VA**

Please see Attachment A.

**Appraisal Fees**

Effective February 1, 2007, the fee for liquidation appraisals in the states of Arkansas, Louisiana, Oklahoma and Texas increased to \$350.00. For additional information on appraisal fees, access Bulletin No. 2007-02 and the "Fee Appraiser Training Guide for the Houston Regional Loan Center" at [www.vba.va.gov/houstonrlc.htm](http://www.vba.va.gov/houstonrlc.htm).

**Property Preservation**

Our policy for the protection and preservation of vacant properties securing VA guaranteed loans in Arkansas, Louisiana, Oklahoma, and Texas is set forth in a separate bulletin, which is released annually. The bulletin states the minimum requirements for inspections and securing of property and specifies the amounts that will be reimbursed by this RLC. For a copy of the current bulletin, visit [www.vba.va.gov/houstonrlc.htm](http://www.vba.va.gov/houstonrlc.htm).

**Supplemental Claims**

Submit supplemental claims as soon as possible. When requesting reimbursement for an item that was disallowed on the original claim, please explain why you think the item or additional amount should be allowed. A copy of the itemized invoice and paid receipt or other evidence necessary to support the request for reimbursement is required.

**Questions And Comments**

Please e-mail questions and comments concerning this bulletin to [Helen.Galer@vba.va.gov](mailto:Helen.Galer@vba.va.gov).

**Rescission**

This bulletin rescinds RLC Bulletin No. 2005-01 dated February 15, 2005.

R. BIAGIOLI  
Loan Guaranty Officer

Attachment