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BULLETIN NO. 2007-07

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TO: ALL LENDERS AND SERVICERS

**SUBJ: REPORTING OF PAID-IN-FULL LOANS AND VALIDITY
PERIOD OF CERTIFICATES OF COMMITMENT**

1. VA Regulation 38 CFR 36.4333 requires that all holders of Department of Veterans Affairs guaranteed loans and purchasers of VA portfolio loans sold under the repurchase authority of VA Regulation 38 CFR 36.4600 must report to VA when these loans have been paid-in-full or otherwise canceled because of a claim settlement with VA.

- a. If the liability of VA is evidenced by a Loan Guaranty Certificate and has been satisfied by payment in full, the Certificate should be endorsed as **"PAID-IN-FULL"**, dated, signed by authorized company officer and returned to VA Loan Production Section.
- b. If the liability of VA has been canceled due to loan foreclosure, the Loan Guaranty Certificate should be endorsed **"CLAIM FILED/CANCELED"**, dated, signed by an authorized company officer and returned to VA Loan Administration Section.

2. Please review your loan portfolio to assure that all paid-in-full and liquidated VA loans (guaranteed or 4600 loans) have been reported to the VA Regional Office having jurisdiction over the property.

3. Certificates of Commitment are valid for a period of six months from the date of issue. If closed after expiration of commitment, the loan will be ineligible for guaranty. Certificates of Commitment that you determine will not close must be returned to VA with a request for cancellation.

4. VA Regulation 38 CFR 36.4303 requires reporting all prior approval and automatic loans to VA within 60 days of disbursement. Loans reported untimely must be accompanied by a letter stating the reason for late reporting and requesting a waiver of the 60 day requirement. Automatic loans must also have a signed statement from the lender that the loan is current. However, it is expected this will be used only in rare cases. Chronic untimely reporting may cause sanctions to be taken against your firm.

5. This bulletin rescinds Regional Loan Center Bulletin No. 2006-12 issued on this subject.

ZITA M. COMMONS
Acting Loan Guaranty Officer