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BULLETIN NO. 2005-06

May 27, 2005

TO: ALL HOLDERS AND SERVICERS

SUBJ: TITLE REQUIREMENTS - OKLAHOMA

Purpose

The purpose of this bulletin is to incorporate the revised procedure for title documents due to the transition of VA's Property Management activity to a private contractor, Ocwen Loan Servicing LLC (Ocwen). When holders elect to convey property to the Department of Veterans Affairs (VA) pursuant to 38 CFR 36.4320, title packages for loans secured by property in Oklahoma must be sent to Ocwen.

Effective Date

These changes were effective December 22, 2003.

Where to Mail Title Packages

Mail title packages to:

**VA REO/Title Review
Ocwen Loan Servicing LLC
12650 Ingenuity Drive
Orlando, FL 32826**

When to Submit Title Packages

Submit a complete and acceptable title package to Ocwen no later than 60 days after the termination action, i.e., the confirmation date or the execution date on the deed-in-lieu of foreclosure.

Extensions and Penalties

Written requests for extension of the deadline must be received by Ocwen before expiration of the 60 days and must outline the reason for delay and the expected date title will be perfected. Ocwen has authority to grant up to an additional 30 days. VA has no obligation to extend the 60-day deadline. If acceptable title is not received timely, custody of the property will be returned to the holder, and the holder will lose the right to convey the property to VA..

The Title Package

The documents listed below are required. Forward all documents in one package. The twelve digit VA loan identification number must appear clearly on all documents submitted. Incomplete packages are not acceptable and may be returned. Documents should be stapled together at the left hand corner only. Photocopies must be legible.

1. Acceptable title insurance policy insuring the “Secretary of Veterans Affairs, an Officer of the United States of America, his Successors or Assigns,” in an amount equal to the amount specified for credit to the indebtedness prior to the foreclosure sale (upset price), or rounded to the nearest, highest five hundred dollars
2. Depository receipt for Abstract of Title clearly showing custody and storage location
3. Recorded Sheriff’s Deed or Deed-in-Lieu of Foreclosure with Estoppel and Solvency Affidavit
4. Original mortgage which reflects the legal description and all pertinent recording data or the Mortgagee’s Title Insurance Policy from loan origination

Reconveyance

VA will reconvey the property and demand reimbursement of the amount paid for the property and all expenses incurred by VA (Ocwen) while the property was in VA custody if a holder or servicer is unable to provide acceptable title evidence timely or if VA Regional Counsel determines that title is not acceptable. Ocwen will recommend reconveyance to VA’s Property Management Oversight Unit (PMOU) in Nashville, Tennessee and send a copy of the notice to the holder/servicer. If the PMOU concurs with the recommendation, Ocwen will obtain a property inspection, prepare a deed to the holder, submit the deed for recording, and advise the holder in writing of the reconveyance and the amount due VA. The RLC will prepare and present a Bill of Collection (BOC) for the total of the price VA paid for the property and VA’s expenses while the property was in custody, as well as items on the claim if already paid by VA. If a BOC is not paid timely, VA will offset future acquisition and claim payments due the holder/servicer to recover the amount of the BOC. If holders are given an opportunity to reconvey property to VA, they will not be reimbursed for any amounts offset for expenses while the property was in VA custody.

Questions and Comments

Please e-mail questions and comments concerning this bulletin to Helen.Galer@vba.va.gov. You may contact Ocwen through their website at www.ocwen.com.

Rescission

This bulletin rescinds Bulletins No. 2002-17 and No. 2003-15, dated July 23, 2002, and January 13, 2003, respectively.

/S/
R. BIAGIOLI
Loan Guaranty Officer