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Website: [www.vba.va.gov/houstonrlc.htm](http://www.vba.va.gov/houstonrlc.htm)*

## **BULLETIN NO. 2005-08**

**June 2, 2005**

**TO: ALL HOLDERS AND SERVICERS**

**SUBJ: TITLE REQUIREMENTS - TEXAS**

### **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 Texas 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 foreclosure sale 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.

### **Title Package For Nonjudicial Foreclosure Sale**

The documents listed below are required when a loan is terminated by nonjudicial foreclosure action. When termination of the loan involves bankruptcy, a Federal tax lien, a deceased mortgagor, or a deed-in-lieu of foreclosure, please see the appropriate paragraph below. 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 will be returned. Documents should be stapled together at the left hand corner only. Photocopies must be legible.

1. Special or General Warranty Deed: The original recorded deed to:

**Secretary of Veterans Affairs  
c/o Ocwen Loan Servicing LLC  
12650 Ingenuity Drive  
Orlando, FL 32826**

OR Holders may submit a copy of the deed with the county clerk's file stamp or county clerk's receipt showing the file number under which the document will be recorded. To ensure receipt of the original by VA, the VA loan identification number must be on the document and the return address must read as follows:

**Secretary of Veterans Affairs  
c/o Ocwen Loan Servicing LLC  
12650 Ingenuity Drive  
Orlando, FL 32826**

2. Deed of Trust: The original instrument from loan closing, or a copy certified by the county clerk.
3. Assignments and Institutional History: All original, recorded Assignments of Deed of Trust Lien (if any) and institutional history where the holder has merged with or been acquired by another entity.
4. Appointment of Substitute Trustee: The original, recorded instrument (if any).
5. Notice of Sale: A copy of the Notice of Sale posted by the Trustee.
6. Affidavit of Notice: An original affidavit stating that the posting and notice requirements of Article 51.002, Texas Property Code, were met.
7. Trustee's or Substitute Trustee's Deed: The original, recorded instrument.
8. Non-Military Affidavit: An original affidavit that the title holders were alive on the date of the foreclosure sale and that they were not in military service on that date or for the 90 days prior to the sale.
9. Mortgagee's Title Policy: From loan origination, the complete, original Mortgagee's Title Policy or a copy certified by the issuing title company. If unavailable, VA must be provided a General Warranty Deed.
10. Survey Plat: The original survey or a copy from loan closing, or a letter that the survey is not available.

#### **Bankruptcy**

When there is indication that the borrower filed for protection under the bankruptcy laws, the holder must provide evidence that they were not stayed from the foreclosure action. A copy of the discharge, dismissal, or order lifting stay is usually sufficient.

#### **Federal Tax Lien**

In addition to the routine title documents required, provide a copy of the 25-day written notice to the appropriate IRS District Office and a copy of the certified mail receipt signed by IRS.

#### **Deceased Mortgagor**

Submit only the items listed below for title approval:

1. Owner's Title Policy:
  - a. Present Owner - An acceptable policy insuring the Secretary of Veterans Affairs 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. In cases where total indebtedness is specified, the policy should be in an amount equal to the principal balance of the loan, rounded to the nearest, highest five hundred dollars.

NOTE: If the property is occupied, VA requires the Owner's Title Policy to be issued without taking exception to the "Rights of Parties in Possession", OR the lender may certify that the property is vacant or that the occupants have no homestead or survivorship rights.

- b. Previous Owner - In lieu of an Owner's Title Policy, VA will accept the documents required above for title approval of a nonjudicial foreclosure sale and the lender's certification as to the date of death and that no administration was opened before the end of the four year period. If an administration was opened, VA will accept a certified copy of the Order Closing the Administration of the Estate.

2. Warranty Deed: The original recorded deed to:

**Secretary of Veterans Affairs  
c/o Ocwen Loan Servicing LLC  
12650 Ingenuity Drive  
Orlando, FL 32826**

3. Deed of Trust: The original instrument from loan closing, or a copy certified by the county clerk.
4. Trustee's or Substitute Trustee's Deed: The original, recorded instrument.

#### **Deed In Lieu Of Foreclosure**

The prior approval of the Secretary is required unless the servicer is approved to participate in the Servicer Loss Mitigation Program. Submit only the items listed below:

1. Owner's Title Policy: An acceptable policy insuring the Secretary of Veterans Affairs 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. In cases where total indebtedness is specified, the policy should be in an amount equal to the principal balance of the loan, rounded to the nearest, highest five hundred dollars.
2. Warranty Deed: The original recorded deed to:

**Secretary of Veterans Affairs  
c/o Ocwen Loan Servicing LLC  
12650 Ingenuity Drive  
Orlando, FL 32826**

3. Deed of Trust: The original instrument from loan closing, or a copy certified by the county clerk.
4. Deed in Lieu of Foreclosure: The original, recorded instrument conveying the property to the lienholder.

#### **Reconveyance**

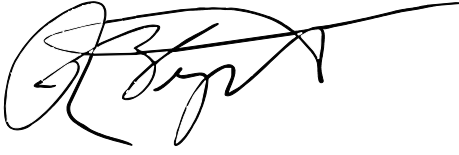
VA will reconvey the property and demand reimbursement of the amount paid for the property and all expenses incurred by VA (Ocwen) while the property was in VA custody if a holder or servicer is unable to provide acceptable title evidence timely or if VA Regional Counsel determines that title is not 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](mailto:Helen.Galer@vba.va.gov). You may contact Ocwen through their website at [www.ocwen.com](http://www.ocwen.com).

#### **Rescission**

This bulletin rescinds Regional Loan Center Bulletins No. 2002-05 and No. 2003-15 dated February 19, 2002, and December 18, 2003, respectively.

A handwritten signature in black ink, appearing to read 'R. Biagioli', with a long horizontal stroke extending to the right.

R. BIAGIOLI  
Loan Guaranty Officer