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BULLETIN NO. 2007-01

January 9, 2007

**TO: ALL SERVICERS AND HOLDERS
(ATTN: LOSS MITIGATION DEPARTMENTS)**

SUBJ: INTEREST RATE ON PROMISSORY NOTES

PURPOSE

The purpose of this bulletin is to state the percentage rate to be used in assessing interest charges for outstanding debts owed the Government. This is of particular interest to companies approved for participation in the Servicer Loss Mitigation Program (SLMP).

WHAT IS THE NEW RATE?

The rate applicable for January 1, 2007, through December 31, 2007, is four (4) percent. The rate of interest is set by the Treasury Department.

WHEN IS THIS RATE USED?

This interest rate is used on promissory notes taken by approved SLMP servicers in connection with compromise claims, deeds in lieu of foreclosure cases, and pre-foreclosure debt waivers cases, as well as bills for collection remaining unpaid over 30 days. A sample promissory note is available at our website, www.vba.va.gov/houstonrlc.htm. For further guidance on obtaining promissory notes, please see page 16 of the SLMP instructions.

RECESSION

This bulletin rescinds RLC Bulletin No. 2006-04, dated January 20, 2006, on the same subject.

QUESTIONS AND COMMENTS

If you have questions or comments concerning this bulletin, please contact Helen Galer, Loan Administration Officer, at 713-383-1799 or Helen.Galer@va.gov.

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Loan Guaranty Officer