



**VA GULF STATES
REGIONAL LOAN CENTER**

Department of Veterans
6900 Alameda Road
Houston, Texas 77030-4200

BULLETIN NO. 98-7

March 2, 1998

TO: LENDERS

SUBJ: ELIMINATION OF VA DEBT LETTERS

1. EFFECTIVE IMMEDIATELY, VA Form 26-8937, Verification of VA Benefit-Related Indebtedness (DEBT Letters), will NO LONGER BE REQUIRED unless the following conditions apply:

- The veteran is receiving VA disability benefits;
 - The veteran indicates that he/she would be entitled to receive VA disability benefits but for the receipt of retired pay;
 - The veteran indicates that he/she has received VA disability benefits in the past;
- OR**
- The applicant is a surviving spouse of a veteran who died on active duty or as a result of a service-connected disability.

If your company has submitted a VA Form 26-8937 to our office and it has not been returned as of the scheduled closing date, you may close the loan without the completed form unless the conditions listed above are applicable.

2. A complete copy of Change 36 describing the change in policy regarding Debt Letters and other issues will be mailed to your office in the near future. The entire Lender's Handbook with changes is available on the VA Loan Guaranty Home page on the Internet. The address is

www.va.gov/vas/loan/lenders.htm.

3. If you have any questions regarding these important changes, you may call our office at 1-888-232-2571.



F. M. McREAKEN
Loan Guaranty Officer