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BULLETIN NO. 99-23

August 23, 1999

**TO: ALL HOLDERS AND SERVICERS
FORECLOSURE DEPARTMENT**

**SUBJ: ELECTION OF FORECLOSURE PROCEDURE
LOUISIANA & OKLAHOMA VA LOANS**

1. This bulletin satisfies the notice required by Title 38 CFR 36.4324(f)(2) and specifies the foreclosure procedure to be used for Department of Veterans Affairs (VA) guaranteed loans on properties in the State of Louisiana and the State of Oklahoma. Holders are reminded that the release of the personal liability of any obligor on a guaranteed loan resulting from the act or omission of the holder without the prior approval of VA releases the obligation of VA as guarantor. Foreclosure action should be initiated 30 days after VA acknowledges receipt of the Notice of Intent to Foreclose, VA Form 26-6851, or Notice of Default and Intent to Foreclose, VA Form 26-6850a.
2. Holders are expected to elect the foreclosure procedure that will effectively preserve the personal liability of all **liable** obligors unless the following conditions apply or VA provides specific written instructions in a particular case:
 - a. Type 6 (21-21-6-0000000 & 51-51-6-0000000) loans originated January 1, 1990, or later should be foreclosed in the most expeditious manner; providing there are no transferees. If there are transferees, the same rule applies as Type 2 loans.
 - b. Type 2 (21-21-2-0000000 & 51-51-2-0000000) loans should be foreclosed preserving the personal liability of all **liable** obligors except the original veteran in transferee cases.
3. Please contact Helen M. Galer, Loan Administration Officer, if you have questions or comments. Her telephone number and E-mail address are (713) 794-3602 and LGYhgale@VBA.VA.GOV, respectively.
4. This bulletin rescinds all previous bulletins on this subject.

A handwritten signature in black ink, appearing to read "F. M. McReaken".

F. M. McREAKEN
Loan Guaranty Officer