

**U.S. Department of Veterans Affairs  
Veterans Benefits Administration  
VA Loan Electronic Reporting Interface  
Transfer of Custody Event Rejection Guide**

**Version 1.0**



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## 1 Summary

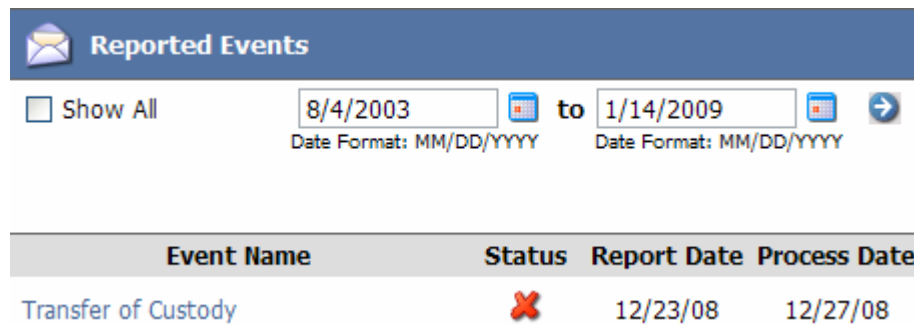
Attempts to convey properties to VA are evaluated twice. The first evaluation takes place when VALERI runs business rules against the Transfer of Custody event submitted by the servicer. This document will guide you through interpreting the first evaluation, including actions you may take to correct the rejected event.

A second evaluation is done by VA technicians, who review the case and ultimately decide if VA will accept custody of the property. The results of VA technicians' reviews can be found by running the acquisition payment status report.

## 2 Identify a Rejected Transfer of Custody

If a Transfer of Custody event is listed in the event inbox with a red X (as seen in Figure 1), the event has failed a fatal business rule and will be ignored by VA.

**Figure 1: Rejected Transfer of Custody**



The screenshot shows a web interface titled "Reported Events". It includes a "Show All" checkbox, a date range filter from "8/4/2003" to "1/14/2009", and a "Date Format: MM/DD/YYYY" label. Below the filter is a table with the following data:

Event Name	Status	Report Date	Process Date
Transfer of Custody	✘	12/23/08	12/27/08

Click on the red X to see which Business Rule(s) caused the rejection. All the Business Rules are listed, and the ones that fatally rejected the loan will be marked with a red X.

## 3 Late Acquisition

Event must not be reported more than 15 calendar days after date of sale, date of confirmation, or the date that deed was recorded (whichever is applicable).

The servicer has 15 days from the termination date to report the Transfer of Custody. For properties in states that do not require confirmation/ratification, this date is the date of sale. For properties in states that require confirmation/ratification, this is the date of confirmation/ratification. For cases that terminate through a Deed-in-Lieu, the termination date is the date the deed is recorded.<sup>1</sup>

<sup>1</sup> VA now allows servicer to use the date the deed is sent for recordation as the termination date for DILs. If this date is used, it must be reported in the "date the deed is recorded" field in the Deed-in-Lieu Complete event. When used as the termination date, servicers will have 15 days from that date to report the Transfer of Custody.

If you report the Transfer of Custody event more than 15 days after the termination date, the event will reject and there will be a red X next to the Business Rule, "Event must not be reported more than 15 calendar days after...."

### **3.1 Next Actions**

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If your Transfer of Custody fails for this reason **only**, you have thirty days to appeal the late acquisition in the Servicer Web Portal. To do this, search for the loan in the Servicer Web Portal, click on "appeals" on the left hand side, fill out a short justification in the space provided, click on the hyperlink "appeal late acquisition," and follow the directions to upload documentation. You should always upload some form of documentation, even if it is only a more detailed written description. Your appeal is open for a VA technician to review. You can track your appeal in the Appeal Status Report.

If the "appeal late acquisition" option is not hyperlinked, the Transfer of Custody event failed for another reason in addition to being late. You need to resolve all other issues and resubmit a Transfer of Custody before it is eligible for an appeal.

## **4 Must Report the Terminating Event**

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"Event must be reported only after the Results of Sale event or the DIL complete event."

Before you can convey a property to VA through VALERI, you must have reported the results of the foreclosure sale or the details of the deed-in-lieu. Without this information, VALERI will not know how to calculate the acquisition payment, so it will reject your Transfer of Custody event. You have to make sure VALERI has an accepted Results of Sale event or Deed-in-Lieu Complete event before reporting the Transfer of Custody event. If you submit a Transfer of Custody event before reporting the sale's results or the deed-in-lieu information, the Business Rule, "Event must be reported only after the Results of Sale event or the DIL complete event," will be marked with a red X.

### **4.1 Next Actions**

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You will need to report the Results of Sale or Deed-in-Lieu Complete event. If you are a direct connection user, you will probably have to use the Event Admin feature to report one of these events. The guide for using the Event Admin feature can be found in the Document Library on [www.homeloans.va.gov/valeri.htm](http://www.homeloans.va.gov/valeri.htm).

## **5 NOV Must Cover the Termination Date**

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"Notice of value from TAS must be submitted."

VALERI compares the expiration date of the NOV to the termination date of the loan. If the property went through a foreclosure in a state that does not require confirmation/ratification, the NOV's expiration date must cover the date of sale. If the property went through a foreclosure in a state that requires confirmation/ratification, the NOV's expiration date must cover the date of confirmation/ratification. If the property went through a deed-in-lieu, the NOV's expiration date must cover the termination date reported in the Deed-in-Lieu Complete event. If VALERI does not have an NOV or does not have a termination date, this rule will also fail and the Transfer of Custody event will reject.

## 5.1 Next Actions

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Make sure that the terminating event (Results of Sale or Deed-in-Lieu Complete) has been reported. Then check that there is an NOV in VALERI. The NOV information is listed in the loan's information section of the Servicer Web Portal. If there is no NOV, VALERI will list \$0 for NOV value and 01/01/1900 for NOV expiration. If this is the case, confirm there was an NOV issued by VA. Work with the assigned VA technician to find the NOV or work out any problems preventing the NOV from entering VALERI.

If the NOV is in VALERI, check to see if the NOV expiration date covers the termination date. If it does not, you may contact the VA technician assigned to the case to have the expiration date extended. It is up to the VA office working the case to contact the Helpdesk and extend the expiration date. Once the date is extended, you will need to resubmit the Transfer of Custody event.