

# VALERI Servicer Newsflash

Thursday, December 16, 2010

## NEW ADEQUACY OF SERVICING PROCESS

On December 10<sup>th</sup> we released a new, restructured Adequacy of Servicing (AOS) process in the VALERI application. The VA has streamlined the AOS process for both servicers and VA Loan Technicians in order to achieve greater efficiency and to ensure that every single veteran is given the chance to retain homeownership or avoid foreclosure.

In the new AOS process, VA technicians review accounts earlier in the default episode — 120 days, rather than 210 days — and servicers have the option to upload servicing notes when accounts are selected for review. These changes facilitate information exchange and better enable VA Loan Technicians to provide critical oversight.

### New Timeframes and Reports

Adequacy of Servicing reviews will now be conducted beginning with the 120<sup>th</sup> day of delinquency and every 90 days thereafter until a loan is terminated or a default is cured. At 120 days, VA technicians will evaluate your servicing efforts over the last six months. In the subsequent 90-day reviews, VA will only evaluate servicing efforts since the previous AOS review was completed.

All servicers should already be pulling the "Servicer Action Required Report" on a daily basis. This report lists all accounts that have been selected for AOS review. In the near future, this will be replaced by a new report named the "Adequacy of Servicing Process Report." We will keep you apprised on the status of this new report.

### Servicing Notes

Many servicers have already been providing copies of servicing notes to VA for Adequacy of Servicing reviews. Now the new AOS process gives you the tools to upload your notes directly into VALERI as soon as a loan is selected for an AOS review.

1. Pull the "Servicer Action Required Report" to identify accounts selected for AOS review
2. Extract your last 6 months of servicing notes  
(Including collections, loss mitigation, foreclosure and/or bankruptcy notes, where applicable)
3. Access the account in SWP and click on **Submit Documents** (see image below)
4. Select **Review Adequacy of Servicing** in the Process Name drop-down, then upload the file  
Your notes will move directly into the AOS process for the assigned Loan Technician to access!

**Upload a Document**

**Process Name:** Review Adequacy of Servicing

**Document Type(s):** Servicing case notes

**Document Name:** Collections Notes

**File:** C:\Documents and Set

**\*To select multiple Document Types, press the ctrl key and select**

You will have 10 days from the date the AOS process opens to upload servicing notes. Please be advised that this is not a new requirement, but your cooperation with this request will help VA's technicians more effectively determine whether our veterans are receiving the assistance they need.

Some of the benefits of uploading your notes include:

- Reduced contact between you and VA technicians, thus you will have more time to focus on servicing
- Your representatives will no longer need to invest time reviewing notes, and then relaying the information to VA
- VA will be asking fewer questions, as our technicians can glean the information we need from your notes
- VA technicians will have a better understanding of the veteran's situation; thus our AOS determinations will be more accurate

## **FINAL THOUGHTS**

We understand that the initial caseload of this new process may be substantial. We are committed to building a successful process and will make every effort to work with you in minimizing the impact of these changes. We believe these changes will prove beneficial to servicers by making VA home loan servicing more efficient, and this will help both servicers and VA Loan Technicians ensure that every veteran borrower is given the opportunity to retain homeownership or avoid foreclosure.