Loan Guaranty Service (LGY)

Quick Reference Instructions

For

Prior Approval Loan Processing
for
Lenders

December 2016

Revision History

Date	Version	Description	Author
10/19/2015	1.1	Final edits following LGY business line review	G. Renna
9/14/2015	1.0	Initial Document	G. Renna

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Introduction

Currently, for a prior approval loan the lender mails the loan package to the Regional Loan Center (RLC) of jurisdiction for underwriting. In an effort to improve the prior approval process, the Department of Veterans Affairs (VA) is transitioning the submission of prior approval packages directly to the VA loan record in WebLGY.

Notice of Value (NOV) Issued Status

In order to begin developing a loan for Prior Approval Processing, the loan has to be in a NOV-Issued Status (Figure 1). Once the loan is in the NOV-Issued Status then the Prior Approval loan package may be submitted for VA review.

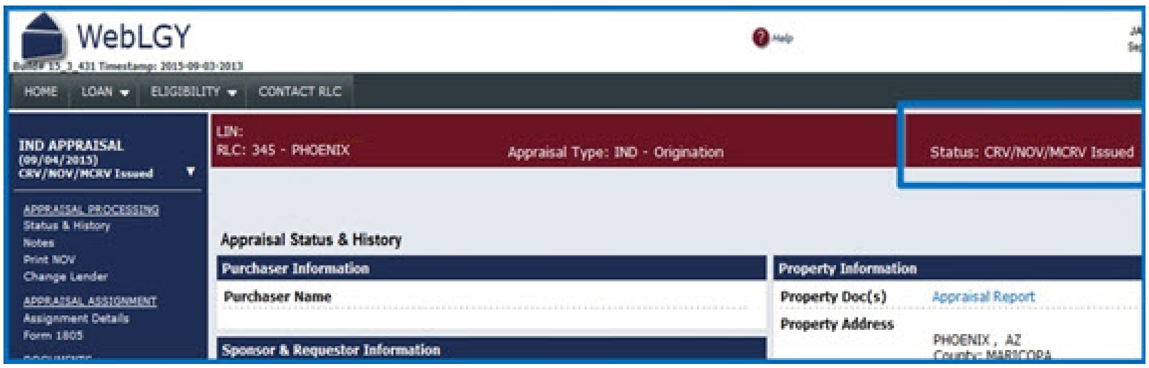


Figure 1. Confirm NOV Status.

Enter New Loan

- Navigate to the *Enter New Loan* option from the *Loan* drop down menu (Figure 2).
- Select *Enter New Loan*.

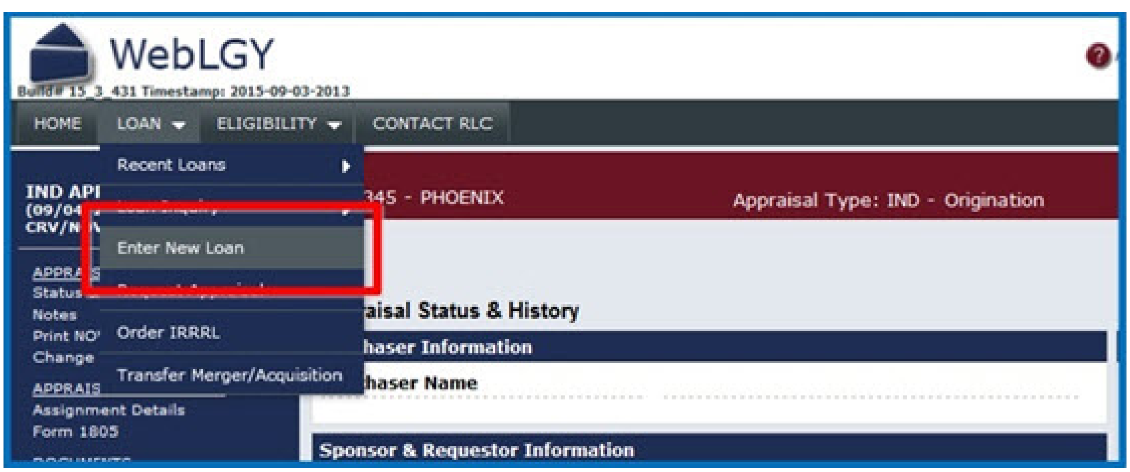


Figure 2. Enter New Loan.

Prior Approval Loan

- Select *Prior Approval* for the Loan Procedure (Figure 3).

- Enter the VA loan identification number (LIN) and select *Submit*.

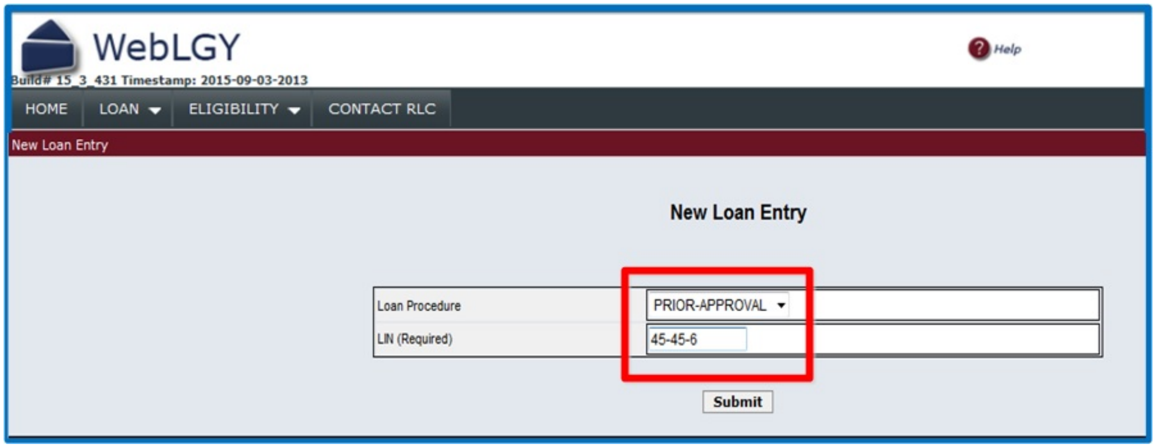


Figure 3. Selection of Prior Approval.

Veteran Information

The first step in creating the loan analysis is creating the Veteran profile (Figure 4).

- Enter the Veteran's Social Security Number.
- Then click on *Add New Veteran*.

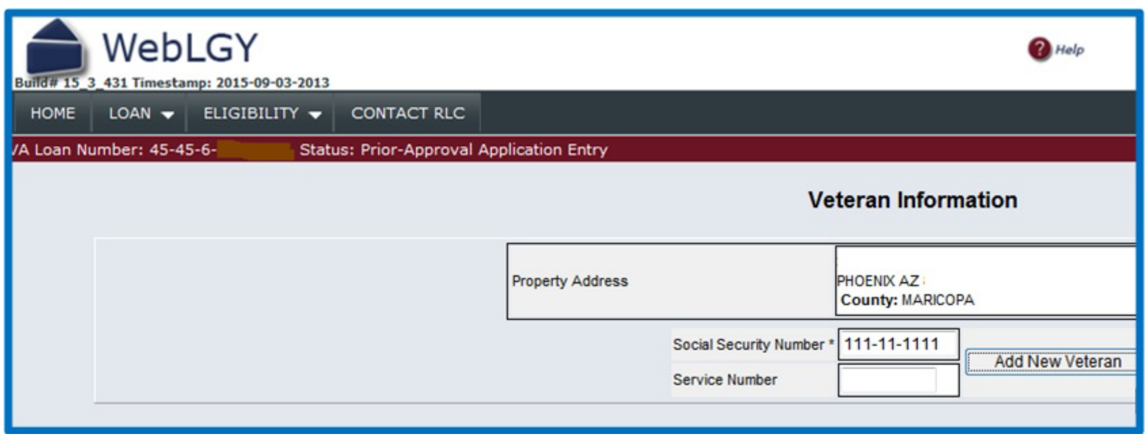


Figure 4. Creating Veteran Information.

If there is a match in the WebLGY database, then the Veteran Attributes will be returned.

NOTE: Please review the Veteran's Social Security Number for accuracy. If the Social Security Number does not match a Veteran record in the WebLGY database or an approved Certificate of Eligibility (COE) has not been created, then the Veteran attributes will return blank (Figure 5), VA will not review a prior approval package without a valid COE issued for the Veteran.

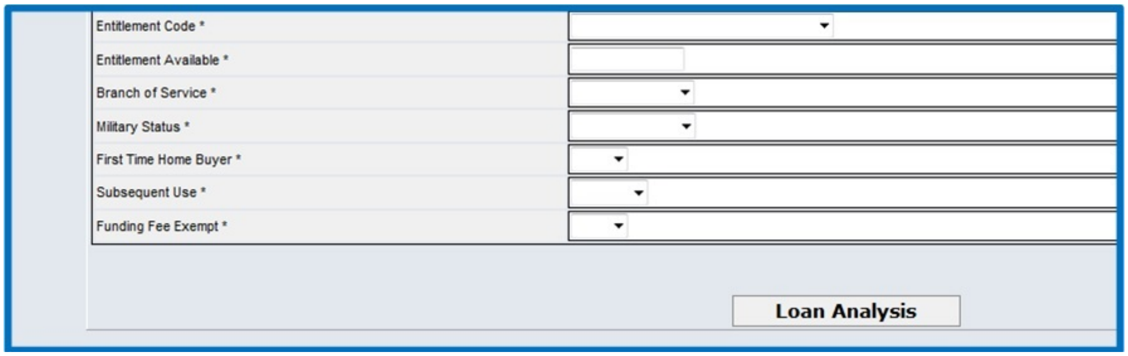


Figure 5. Return of a Blank Veteran File.

Veteran Attributes

The Prior Approval Veteran Information page will retrieve the eligibility entitlement and Veteran attributes from the approved COE record.

- Answer whether the Veteran is Funding Fee Exempt (Figure 6). At this time, the system does not automatically retrieve the Funding Fee Status on the Prior Approval Veteran Information page.

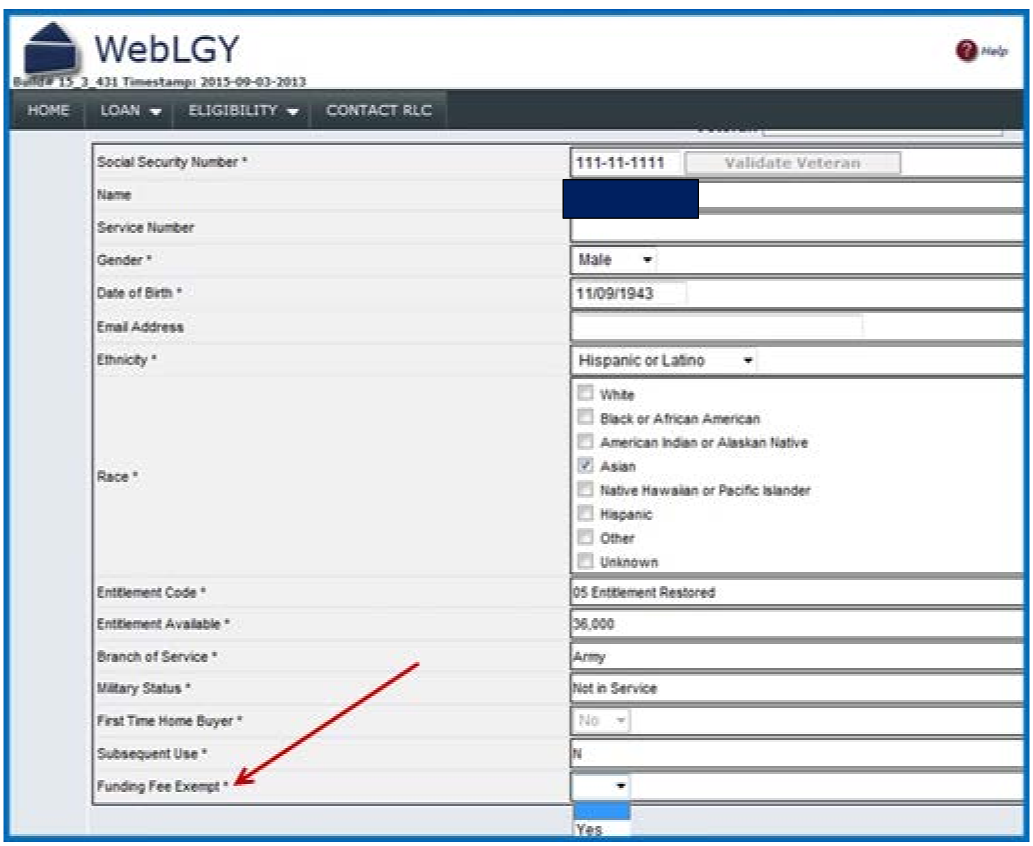


Figure 6. Funding Fee Exemption.

- When all the Veteran attributes are entered, then select *Loan Analysis* to begin developing the loan information.

Loan Analysis

The VA Form 26-6393, *Loan Analysis* page must be fully completed before the file may be uploaded. Loan details are requested at the beginning of the form.

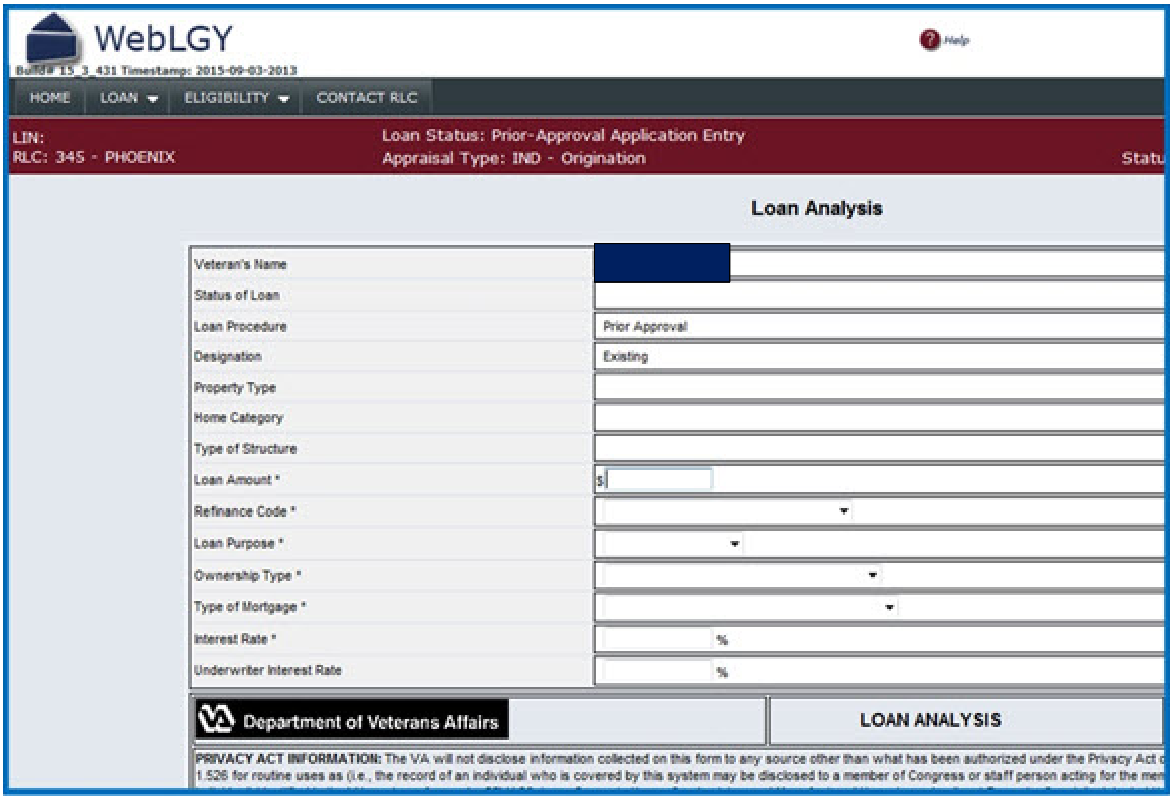


Figure 7. Loan Analysis.

Section B

- Enter the Veteran's personal and financial information in Section B of the Loan Analysis.

CRV DATA (VA USE)		
49a. REASONABLE VALUE	49b. EXPIRATION DATE	
$ 100,000	01/11/2016	30 Years

SECTION A	
2. PURCHASE PRICE *	$
3. CASH DOWN PAYMENT ON PURCHASE PRICE *	$

SECTION B - BORROWER'S PERSONAL AND FINANCIAL STATUS	
4. APPLICANT'S AGE	71
5. OCCUPATION OF APPLICANT *	
6A. NUMBER OF YEARS AT PRESENT EMPLOYMENT	
6B. NUMBER OF MONTHS AT PRESENT EMPLOYMENT	
7A. LIQUID ASSETS *	$
7B. TOTAL ASSETS *	$
8. CURRENT MONTHLY HOUSING EXPENSES *	$
9. UTILITIES INCLUDED?	YES
10. SPOUSE'S AGE	
11. OCCUPATION OF SPOUSE	
12A. NUMBER OF YEARS AT PRESENT EMPLOYMENT	
12B. NUMBER OF MONTHS AT PRESENT EMPLOYMENT	
12C. SPOUSE INCOME CONSIDERED?	YES
13. AGE OF DEPENDENTS	

Figure 8. Loan Analysis Section B.

Sections C and D

- Enter the Veteran's total monthly shelter expenses in Section C.
- Enter the Veteran's total debts in Section D.

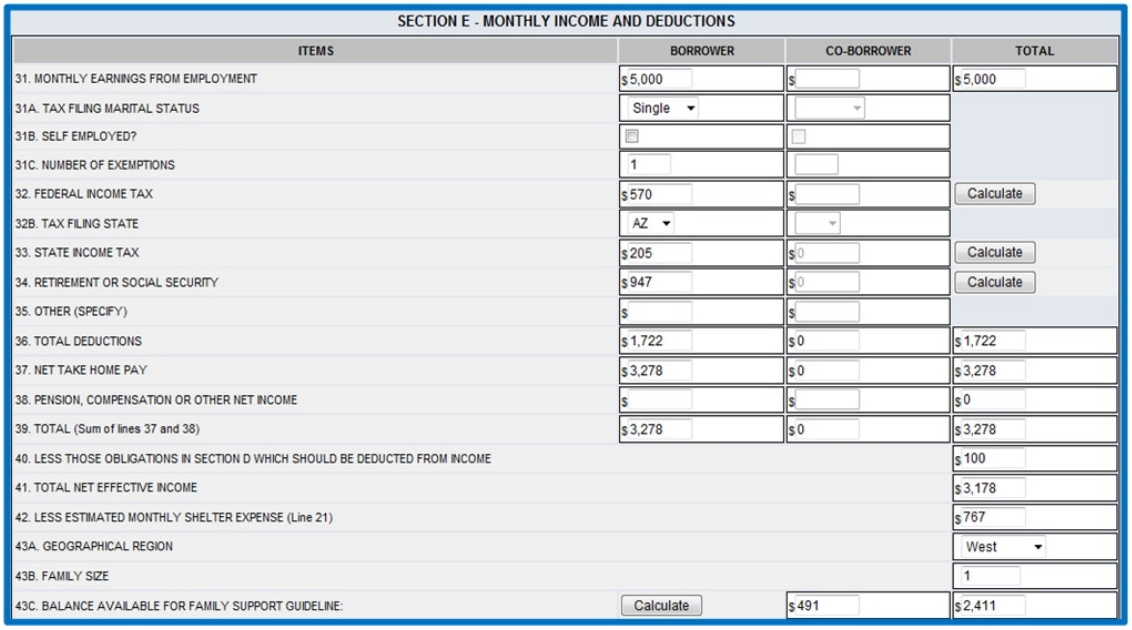
SECTION C - ESTIMATED MONTHLY SHELTER EXPENSES (This Property)	
ITEMS	AMOUNT
NOTE: ROUND ALL DOLLAR AMOUNTS BELOW TO THE NEAREST WHOLE DOLLAR	
14. TERM (Months) *	
15. MORTGAGE PAYMENT (Principal and Interest) *	$
16. REALTY TAXES *	$
17. HAZARD INSURANCE *	$
18. SPECIAL ASSESSMENTS	$
19. MAINTENANCE AND UTILITIES *	$140
20. OTHER (HOA, Condo Fees)	$
21. TOTAL	$140

SECTION D - DEBTS AND OBLIGATIONS (Itemize and indicate by (check) which debts considered in Section E, Line 41)				
	ITEMS	(check)	MONTHLY PAYMENT	UNPAID BALANCE
22.			$	$
23.			$	$
24.			$	$
25.			$	$
26.			$	$
27.			$	$
28.			$	$

Figure 9. Loan Analysis Sections C and D.

Section E

- Enter the Veteran's and if applicable a co-borrower's income and monthly deductions.



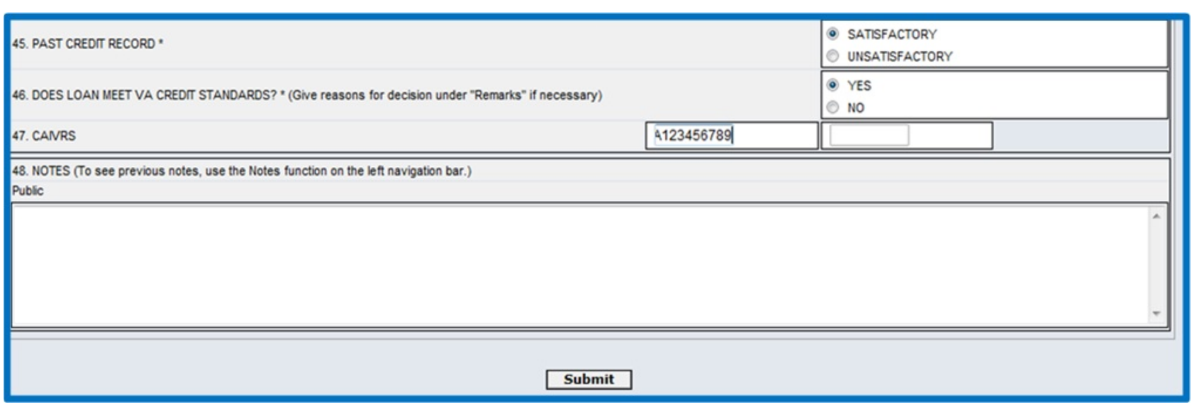
SECTION E - MONTHLY INCOME AND DEDUCTIONS			
ITEMS	BORROWER	CO-BORROWER	TOTAL
31. MONTHLY EARNINGS FROM EMPLOYMENT	$ 5,000	$	$ 5,000
31A. TAX FILING MARITAL STATUS	Single		
31B. SELF EMPLOYED?			
31C. NUMBER OF EXEMPTIONS	1		
32. FEDERAL INCOME TAX	$ 570	$	Calculate
32B. TAX FILING STATE	AZ		
33. STATE INCOME TAX	$ 205	$ 0	Calculate
34. RETIREMENT OR SOCIAL SECURITY	$ 947	$ 0	Calculate
35. OTHER (SPECIFY)	$	$	
36. TOTAL DEDUCTIONS	$ 1,722	$ 0	$ 1,722
37. NET TAKE HOME PAY	$ 3,278	$ 0	$ 3,278
38. PENSION, COMPENSATION OR OTHER NET INCOME	$	$	$ 0
39. TOTAL (Sum of lines 37 and 38)	$ 3,278	$ 0	$ 3,278
40. LESS THOSE OBLIGATIONS IN SECTION D WHICH SHOULD BE DEDUCTED FROM INCOME			$ 100
41. TOTAL NET EFFECTIVE INCOME			$ 3,178
42. LESS ESTIMATED MONTHLY SHELTER EXPENSE (Line 21)			$ 767
43A. GEOGRAPHICAL REGION			West
43B. FAMILY SIZE			1
43C. BALANCE AVAILABLE FOR FAMILY SUPPORT GUIDELINE:	Calculate	$ 491	$ 2,411

Figure 10. Loan Analysis Section E.

Submit Loan Analysis

- Select whether the Veteran's credit history is Satisfactory or Unsatisfactory.
- Select whether or not the Veteran meets the VA credit standards.
- Enter the Veteran's Credit Alert Interactive Voice Response System (CAIVRS) number.
- Select the *Submit* button.

NOTE: If all the information was entered and it passes data validation, then VA Form 26-6393, Loan Analysis will be saved for VA review.



45. PAST CREDIT RECORD *	SATISFACTORY UNSATISFACTORY
46. DOES LOAN MEET VA CREDIT STANDARDS? * (Give reasons for decision under "Remarks" if necessary)	YES NO
47. CAIVRS	A123456789
48. NOTES (To see previous notes, use the Notes function on the left navigation bar.) Public	

Submit

Figure 11. Submit Loan Analysis.

Application Received

An *Application Received* message will appear when all the information is complete from the VA Form 26-6393, *Loan Analysis*. This means the Loan Analysis was successfully submitted to VA for review.

From this point, navigate back to the *Status and History* page from the *Loan* drop down menu.

- Click on *Loan* from top menu.
- Then mouse-over *Recent Loans* from the drop down menu.
- The case should be in recent loan history.
- Click on the LIN.

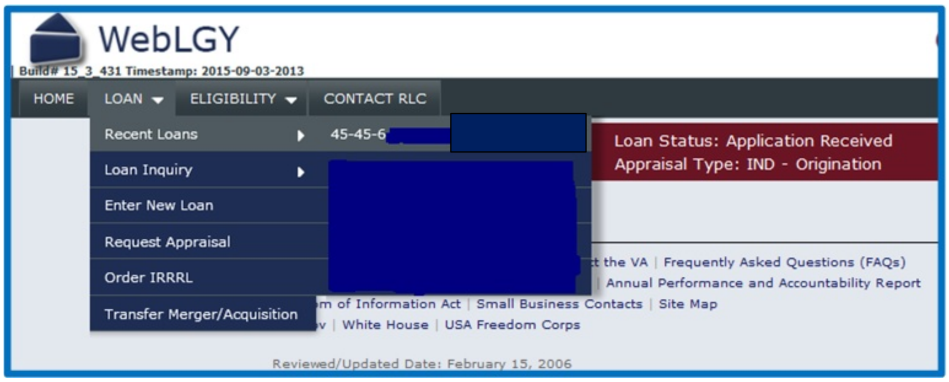


Figure 12. Selecting a Recent Loan.

Status and History Page

There are two items to focus on from the *Status and History* page. In the left-hand navigation menu, you can see the Loan Analysis that was submitted for prior approval review.

The next step is making sure that VA has a loan package to review.

- Click on the *Correspondence* link in order to upload a loan package.

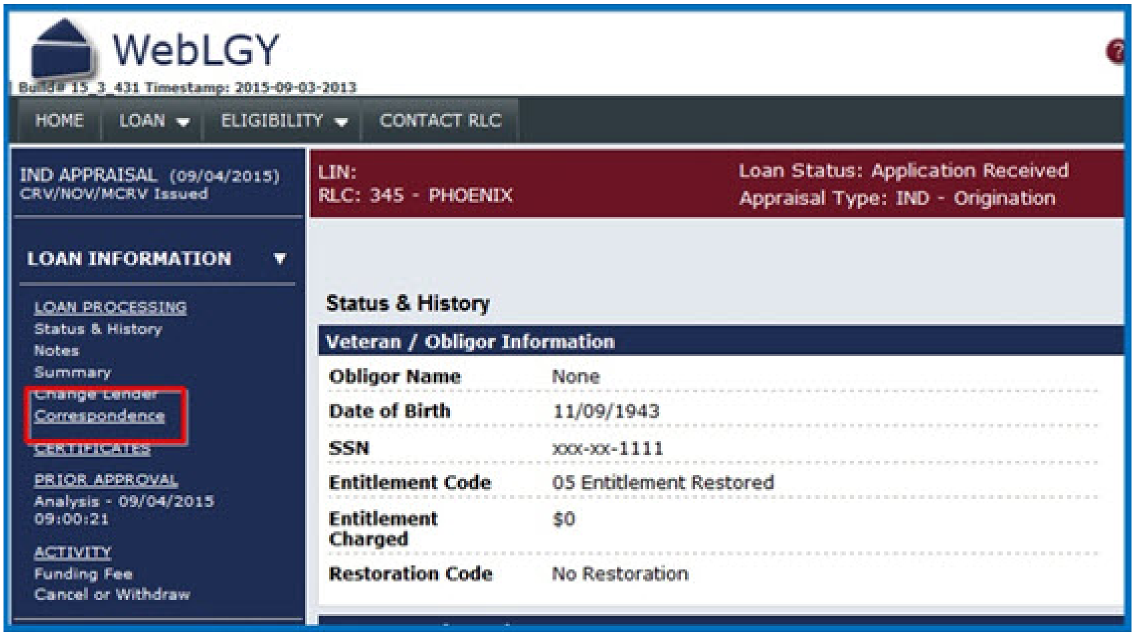


Figure 13. Navigate to the Correspondence Link.

Correspondence

Follow these steps to successfully upload a prior approval loan package:

- **Document Association**: Select *Loan* from the drop down menu.
- **Correspondence Type**: Select *Document Received* from the drop down menu.
- **Document Type:** Select *Prior Approval Loan Package* from the drop down menu.
- **Document Name:** Enter a name that describes the document. Please refrain from using the Veteran's name in this field.
- **File to Upload:** Select the *Browse* button to locate the file from your desktop.

NOTE: Please make sure that your file is complete and in the proper stacking order. Chapter 5, Section c of the VA Lenders Handbook provides the proper stacking order for submitting packages to VA for review and prior approval loan processing.

Successful Upload

A successful upload of the prior approval loan package will provide notice to VA that a loan is ready for review.

At the bottom of the *Correspondence* page, the *Loan Correspondence History* section will display the file that was submitted for review.

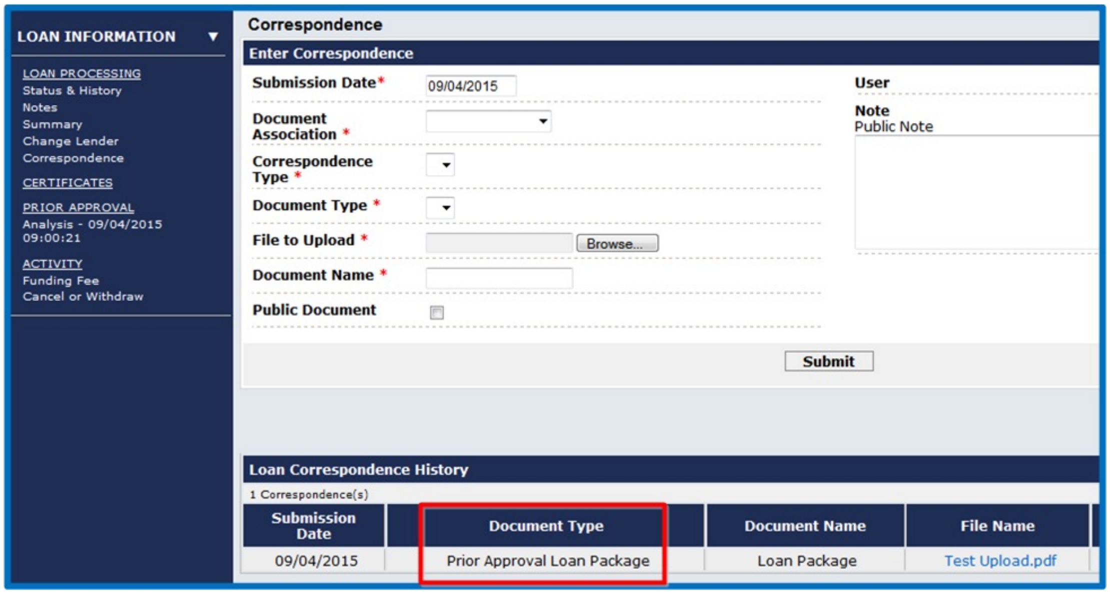


Figure 14. Loan Correspondence History.

Prior Approval Notification

- ✓ VA will receive notification in the internal Work Buckets that a prior approval loan is ready for review.
- ✓ VA has 10-business days to provide a commitment or a denial.
- ✓ Again, processing will be completed in an efficient manner with a complete file.

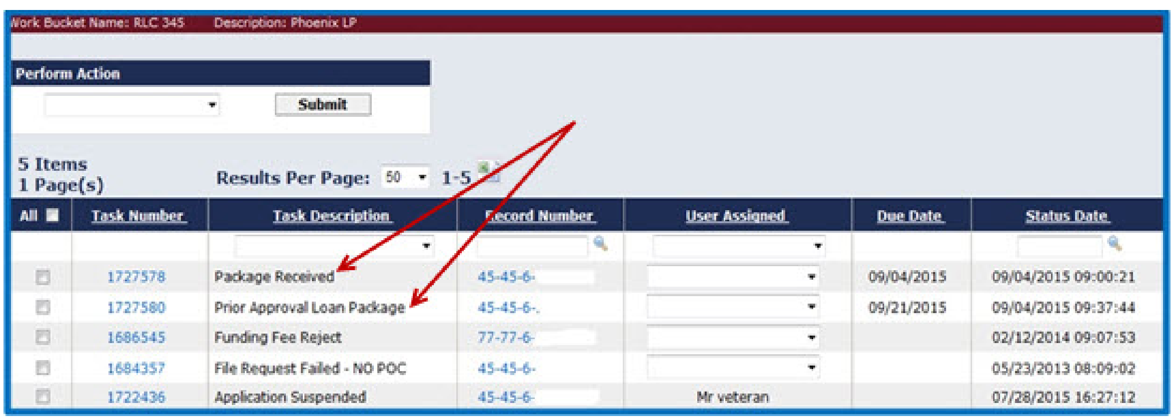


Figure 15. Prior Approval Loan Received.