USE OF ELECTRONIC SIGNATURES IN CONJUNCTION WITH DEPARTMENT OF VETERANS AFFAIRS (VA) GUARANTEED HOME LOANS

1. **Purpose.** The purpose of this circular is to clarify that electronic signatures are acceptable for use in conjunction with the VA Home Loan program.

2. **Background.** The Federal Electronic Signatures in Global and National Commerce Act, commonly referred to as the E-sign Act, was signed into law on June 30, 2000. The E-sign Act provided baseline rules for internet commerce, including nondiscrimination between handwritten and electronic signatures, retention of all electronic records in a similar fashion and duration as would be applicable for a handwritten signature, and the provision of electronic acknowledgment or notarization of online documents when necessary. In addition, the E-sign Act established that no contract or legal document signed online may be denied legal efficacy because it was delivered by an automated program.

3. **Action Required.** Lenders are not required to use electronic signatures in the course of closing VA home loans; but, if they choose to, they must comply with the E-sign Act, just as they are required to comply with all Federal laws. Failure to comply with any Federal statute could result in denial of guaranty on a particular loan, withdrawal of automatic lending authority, and/or debarment from all Federal programs.

4. **Questions.** Direct any questions on this issue to Erica Lewis at Erica.lewis@va.gov.

5. **Rescission:** This circular is rescinded January 1, 2015.

By Direction of the Under Secretary for Benefits

Michael J. Frueh, Director
Loan Guaranty Service

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