Title Requirements for Conveyance of Real Property

1. **Purpose.** This Circular provides clarification of the documents required to properly provide clear and marketable title for conveyed properties to the Department of Veterans Affairs (VA) in every state and territory in the United States.

2. **Background.** Conveyance of properties to the Secretary of Veterans Affairs (the Secretary) from VA-guaranteed loan holders (servicers) is addressed in Title 38, Code of Federal Regulations (CFR), 36.4323, titled “Election to convey security”. Paragraph (d)(5) of this regulation states: Each conveyance or transfer of real property to the Secretary pursuant to this section shall be acceptable if:

   a. The holder thereby covenants or warrants against the acts of the holder and those claiming under the holder (e.g., by special warranty deed); and

   b. It vests in the Secretary or will entitle the Secretary to such title as is or would be acceptable to prudent lending institutions, informed buyers, title companies, and attorneys, generally, in the community in which the property is situated.

3. **Action.** VA’s determination of clear and marketable title is dependent on state statutory requirements. A revised state-by-state list of required documents for providing clear and marketable title (Exhibit A) contains the comprehensive collection of documents when conveying or transferring real property to the Secretary. The Circular does not affect timeframes for submission of title documents. This new requirement will take effect 30-calendar days from the date of this Circular for loans that are terminated by foreclosure or deed-in-lieu. Exhibit A will be posted on VA’s website at: http://www.benefits.va.gov/HOMELOANS/documents/docs/title_document_timeframes.xls.

5. **Rescission:** This Circular is rescinded July 1, 2018.

By Direction of the Under Secretary for Benefits

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Director, Loan Guaranty Service

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