

VALERI Servicer Newsflash

Thursday, December 6, 2012

FOR YOUR INFORMATION

Suspicious Loan Modifications

When one or more terms of a loan modification do not meet VA requirements, VALERI opens a Suspicious Loan Modification Process, which may require servicers to submit the loan modification agreement, loan modification approval letter, servicing case notes, and loan modification worksheets. Verification of these items must occur to identify and correct erroneous data, and/or request the servicer to correct the loan modification to meet VA requirements. When there is an Early Payment Default (EPD) on a modified loan, VALERI opens a process requiring servicers to submit the underwriting package in order to determine if the loan modification underwriting complied with VA requirements, or if the EPD indicates possible fraud or mishandling of the loan modification.

Disaster Relief Recovery Efforts

Please provide us with any relevant information (toll free #) that we can pass on to the Regional Loan Centers for Veteran-borrowers and military members affected by Hurricane Sandy. Our goal is to ensure our borrowers have access to available resources to assist them during times of financial hardship resulting from this natural disaster.

Reporting to Credit Bureau

The "Default Reported to Credit Bureau" event should only be reported once during a default episode. VA requires servicers to report this event within seven calendar days following the month that the default was reported to the credit bureau. VA requires servicers to report delinquencies to major credit bureaus no later than the 90th calendar day of delinquency, which is in accordance with the Fair Credit Reporting Act.

DEVELOPMENT UPDATES

On Saturday, December 8, 2012, VA will deploy VALERI manifest 2.19. Of particular importance to servicers are the following system enhancements, which will be included in this release:

CQ 7940 - Servicer POC Contact Information. This enhancement will allow servicers to update the Point of Contacts for all business area categories, such as Loss Mitigation, Adequacy of Servicing, etc., directly in VALERI. Beginning December 10, 2012, we ask that you please add your POC information in VALERI. If you need a copy of your existing POC list provided to VA, please contact the VALERI Help Desk at valerihelpdesk.vbaco@va.gov. We would appreciate it if you can complete this action within 60 days. The attached POC Guide contains information on accessing and updating POC information.

CQ 8677 – Default Cured/Loan Reinstated Event. VALERI will no longer generate an automatic Default Cured/Loan Reinstated (DCLR) event on a reported EDN with a Reason for Default of "Imminent Default."

CQ 7540 – Ability to Appeal a Negative Claim. Servicers will now have the ability to appeal a negative claim no matter if a BOC was issued or not. This functionality will be available through the Appeal Paid Claim Link in SWP.

On Monday, January 7, 2013, VA will deploy VALERI manifest 2.19 BI to address the following system enhancements relating to Servicer Reports:

CQ 8801 - Servicer User List Report. The new report will provide servicers with a list of all active and inactive users. The administrator should review the new report to ensure all user profiles are accurate.

CQ 8798 -Texas Veteran Land Board (TVLB) Indicator. VA is attempting to coordinate the reporting of TVLB loans in VALERI when the two component loans are serviced by different servicers. Once advised of a TVLB loan, VA loan technicians will place an indicator on the VALERI site. A new report will be available to servicers, which will provide a listing of TVLB loans.