Quick Reference Instructions

For

Prior Approval Loan Processing
for
Lenders

December 2016
## Revision History

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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.

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

**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.](image)

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.
**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.
• 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.

![Loan Analysis Form](image)

**Figure 7. Loan Analysis.**

**Section B**

• Enter the Veteran’s personal and financial information in Section B of the Loan Analysis.
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 E

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

<table>
<thead>
<tr>
<th>ITEM</th>
<th>BORROWER</th>
<th>CO-BORROWER</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>31A. MONTHLY EARNINGS FROM EMPLOYMENT</td>
<td>$5,000</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>31B. TAX PENALTY MARRITAL STATUS</td>
<td>Single</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>31C. SELF EMPLOYED?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31D. NUMBER OF EXEMPTIONS</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>32. FEDERAL INCOME TAX</td>
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<td>$570</td>
<td>$570</td>
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<tr>
<td>33. FEDERAL STATE TAX</td>
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<tr>
<td>34. RETIREMENT OR SOCIAL SECURITY</td>
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<tr>
<td>35. OTHER (SPECIFY)</td>
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<td></td>
</tr>
<tr>
<td>36. TOTAL DEDUCTIONS</td>
<td>$1,722</td>
<td>$1,722</td>
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<tr>
<td>37. NET TAKE HOME PAY</td>
<td>$3,278</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38. PENSION, COMPENSATION OR OTHER NET INCOME</td>
<td>$9</td>
<td></td>
<td></td>
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<tr>
<td>39. TOTAL (Sum of lines 37 and 38)</td>
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<tr>
<td>40. LESS THOSE OBLIGATIONS IN SECTION D WHICH SHOULD BE DEDUCTED FROM INCOME</td>
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<td>41. TOTAL NET EFFECTIVE INCOME</td>
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<tr>
<td>42. LESS ESTIMATED MONTHLY SHELTER EXPENSE (Line 31)</td>
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<tr>
<td>43A. GEOGRAPHICAL REGION</td>
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<tr>
<td>43B. FAMILY SIZE</td>
<td>1</td>
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<tr>
<td>43C. BALANCE AVAILABLE FOR FAMILY SUPPORT GUIDELINE</td>
<td>$2,411</td>
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**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.
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.](image)

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.
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.
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.