HOW TO ORDER A CERTIFICATE OF ELIGIBILITY USING THE VA PORTAL

A LENDER’S TUTORIAL
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How to Navigate the Eligibility Links

The **Search** option allows the user to quickly obtain an existing approved Certificate of Eligibility (COE) for a particular Veteran. The **Automated Certificate of Eligibility (ACE)** option is used in cases where the subject Veteran does not have an approved COE in the system or in cases where the approved COE needs correction.

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**How to Navigate the Eligibility Links – In Detail**

When the user enters WebLGY, a page of links will appear. To obtain a COE, use the options listed under Eligibility — Search and ACE. This tutorial explains both options in detail.

**SEARCH:**
The Search option allows the user to quickly obtain an existing approved COE for a particular Veteran. If Search produces a COE that is satisfactory when viewed by the user, the COE can be printed; no further action is necessary.

**ACE:**
If the subject Veteran does not have an approved COE in the system or if an existing COE needs correcting, a new COE can be ordered using the **ACE** option.
The user should always attempt to obtain a COE using the Search function first.

Search Steps – Detailed Instructions
1) Input the Veteran’s name and Social Security Number (SSN) on the initial search screen.

   a) If the Reference Number for an existing COE is known, enter it in the space provided.

If no results are found, the Veteran is not in the VA system, so a new COE must be ordered using ACE. Exit Search and use ACE.

If Search results in an Approved status:
   • If the Search function produces a COE that is acceptable to the user (use View COE menu option), the user can simply print the COE without having to complete an electronic application.
   • If the Search function produces a COE that is not suitable (needs correction), the user can submit an electronic application using the New Application hyperlink in Search to order a COE.

      o Note: For corrections to the Veteran’s name, do not use the hyperlink. Instead, exit Search and enter ACE from the WebLGY homepage.
If Search results in an Unsuccessful status:
  • If the search results in an Unsuccessful status, the user can submit an electronic application using the New Application hyperlink in Search to order a COE.

If Search result is No Record Found:
  • If the Search function result is No Record Found or if the Veteran’s name is in need of correction, the user will need to exit Search and enter ACE from the WebLGY homepage to order a COE.
b) If the search locates a Veteran in the system, the resulting screen may display a list of reference numbers for prior COE cases, or it may simply display a single case.
Locate Multiple Records

Note:
• If a list appears, click on the reference number for the most recent case with an **Approved status** that is **not locked** (closed but not locked is ok).

• If all cases are locked, a new application must be submitted using ACE.

• **Never** use an approved COE that has been locked.

2) Analyze results.
   
a) On the screen that appears, look for the status on the upper menu bar.
• If the status is **Approved**, the COE is ready for use (see item B below).

• If the status is **Unsuccessful**, click on the **New Application** hyperlink.

• If the status is **Pending**, a request has already been submitted to VA.
  
  • Pending indicates the case has not been worked yet, or VA has requested supporting documents from the user (see the section titled **COE Status on page 25**).
  
  • If the user has not submitted an application, the case is pending due to a previous user. Exit Search and submit an electronic application using ACE.

b) If Search results in an Approved status, click **View COE** in the upper left menu.

• If the COE meets the needs of the user, simply print the COE and exit the system.

  If the COE needs correction*, click on **New Application** in the upper left menu. Common corrections typically involve:
  
  • Unrestored entitlement.
  • Invalid conditions or codes.
  • Outdated date of issue.
  • Incorrect funding fee exemption information.

  For more information, see **Common COE Errors** on page 27.

* Note: For name corrections, exit Search and enter ACE. Do not use the New Application hyperlink since the link will bypass a critical screen.

All corrections require the submission of an electronic application. Corrections to Search generated COE’s will not be made over the phone.
c) **Correspondence Upload** - The user may view any correspondence that has been uploaded by The Eligibility Center (EC). Do not upload correspondence using the Search screen at this time.

   a. The Upload function in Search is only used after an ACE/New Application submission has been completed by the user.

   b. If the user uploads documents into the Uploads screen in Search without having previously created a COE request in ACE or New Application (hyperlink) in Search, the COE request will not generate a valid request for processing. The case will sit idle and the user will lose valuable time. An ACE or New Application submission must be made first.

   c. When new correspondence is uploaded to an existing COE request (an electronic application was submitted in ACE), a work order is generated. The EC will then receive a notification of the submission and review the correspondence.

   d. Do not simply look for a COE in Search and then upload VA Form 26-1880 as a means of submitting an application. A user must create an electronic application.

d) **Notes** - The user may view any notes left by the EC, or leave notes for the EC to read.

   a. Notes left by a user must accompany the submission of a new or existing COE request in ACE/New Application, or the uploading of a document to an existing request.

   b. Do not simply leave a note in Search. Notes are not read until the electronic application is reviewed by the EC.

   c. Unlike the work order that is generated when correspondence is uploaded, the creation of a note does not generate a work order or message to the EC to read the note.

   d. There may be more notes indicated in the Notes section than can be viewed by the user. Some notes in the system are not public and cannot be viewed by non-VA personnel.

**Recap**

- Always use Search to check for a useable COE.
- If Search produces an acceptable COE, simply view and print it.
  - There is no need to make an application if the existing COE is satisfactory.
- If an existing COE needs a correction, use New Application hyperlink in Search.
  - Always leave a note detailing the desired correction(s).
- If Search results in an Unsuccessful status, click on the New Application hyperlink.
- If no results are found or a name correction is needed, exit Search and enter ACE on the WebLGY homepage to order the COE.
ACE Link

The ACE link is used to submit electronic applications in cases where the Search function did not produce a useable COE. As such, ACE should only be used after an attempt to obtain a COE was first made using the Search function.

It is important that the user have a complete, executed VA Form 26-1880 from the Veteran when creating the electronic application because the user must certify that the information disclosed on the electronic application is correct, per the VA Form 26-1880 signed by the Veteran. VA is relying on the accuracy of the ownership disclosures when considering a restoration action.

Locate ACE

ACE Steps – Detailed Instructions

1) Complete the Veteran information screen.
   a) If the Veteran had a name change, input the new name.
      • Adding a note to clarify the correct current name is helpful (see step 9).
   b) To help reduce errors, do not copy and paste the SSN.
   c) Ensure the date of birth is accurate.
d) Note: The SSN and Service Number are not the same.
   - Service Numbers only apply to Veterans discharged approximately 1972 and earlier.

e) Previous VA Loans – Answer **Yes** if the Veteran **ever** had a VA loan where the Veteran used entitlement, **even if the loan has been paid in full** (see Step 5 for more details).

f) Click “Submit”.

ACE

![Automated Certificate of Eligibility](image)

**Veteran Information Screen**

- This **starts** the process; this does not submit a completed application.
- Do not exit the system until every subsequent screen has been completed.
- Common errors that delay processing:
  - Veteran’s name misspelled. Always input the Veteran’s **current** name.
  - Digits in SSN transposed.
  - Incorrect date of birth.
  - SSN duplicated in Service Number box.
2) Click the Electronic Application Hyperlink.

   a) To create a new electronic application, the user must click on the Electronic Application hyperlink.

   b) The Click here for an Electronic Application hyperlink formally activates ACE.
       • If the Reference Number hyperlink is selected, the user will go to the Search function.
       • A COE cannot be ordered or corrected in Search.

   c) Lenders should *never mail* VA Form 26-1880 under any circumstance.

Explanation of ACE Result Page Content:

The ACE Result screen informs the user that a COE cannot be automatically generated for the subject Veteran. This indicates VA records are incomplete for the Veteran, so eligibility for the VA Home Loan program cannot be determined without manual processing by VA personnel.

Clicking on the Electronic Application hyperlink initiates the request for manual processing.

In order to facilitate the request for a COE, the user is encouraged to review the sections titled *Suggested Documents to Upload and Required Service Records on page 29.*
3) Update Veteran Address and Complete Other Questions.

a) Always update the Veteran’s address on the application.
   - Failure to update the address may cause problems with restoration.
   - Delays can arise if the Veteran states they no longer own the property they are residing in and no explanation is given.
   - If the Veteran has sold the property they are currently residing in, leave a note in the system and explain the reason for occupancy (e.g. rent-back).

b) The system currently requires the address field to be completed; however, the COE will be sent via e-mail.

c) Provide the e-mail address where the COE is to be sent.
4) Provide the Veteran’s dates of service.

**Note:** This window only appears when the Veteran is not already approved in the system. This window will not appear if an existing COE only needs a correction.

- The Tour Data screen allows the user to provide VA with basic information regarding the Veteran’s type and dates of service.
- The information provided by the user helps direct VA in cases where VA has insufficient records on the Veteran.
- By providing the dates of service, VA can better ascertain what type of documentation may be needed to make an eligibility determination.
- A yes response activates a drop down box where the specific or approximate dates of service may be entered.
- In lieu of making data entries, the user can simply upload a copy of the completed VA Form 26-1880. Ensure the Veteran has completed sections 8a – 9c regarding military service.
5) Answer “Has the Veteran Ever Had a VA Home Loan?”

If the Veteran had a VA loan at any time (past or present):

a) Answer Yes, even if the VA loan has been paid in full and the property was sold.

b) Answer Yes, even if the VA loan has been refinanced into a non-VA loan.

c) Answer Yes, even if the loan was from many years ago.

Note: If the user responds NO, but the Veteran had a VA loan before, there may a delay obtaining restoration of entitlement.

If the Veteran never had a VA home loan at any time (past or present):

d) Answer No, if the Veteran was just a co-signer and did not use entitlement.

e) Answer No, if the Veteran never had a VA loan at any time in the past.

Note: Do not answer No simply as a means of rushing through the process. The issued COE will likely have a restoration problem that will require a resubmission by the user.
Does the Veteran now own any home(s) that were purchased or refinanced with a VA-guaranteed home loan?

A yes answer activates a subsequent question.

A no answer exits the restoration screen.

f) Important! This question addresses ownership, not the status of a VA loan.

g) If the Veteran still owns a property that currently or previously secured a VA loan, the answer is yes, even if the VA loan has been paid-in-full.

   Examples:
   - Veteran refinanced into a non-VA loan, but still owns the property.
   - VA loan is paid-in-full; Veteran still owns the property.
   - VA loan is active; Veteran plans on renting the property.
   - VA loan is active; Veteran plans on selling the property (back-to-back closing).

h) See the Veteran’s response on VA Form 26-1880, block 10a.
A Yes Answer Activates Subsequent Questions

It is important that questions regarding properties that have been secured by a VA loan are answered correctly. Incomplete or incorrect responses often result in delays caused by unrestored or improperly restored entitlement.

When answering the questions that appear on the screen:

i) Be sure to scroll down the page and answer all questions that appear.

j) Provide as much information as possible on each property still owned. If the exact address is not known, provide as much information as available.

k) Answer each of the five questions concerning the objectives (see below).
   a. Only one yes response should apply.
   b. The remaining four questions should reflect an answer of no.

l) Use the Save Loan button in cases where more than one property applies.
• If the Veteran still owns more than one property currently or previously secured by a VA loan, the user must answer the drop down questions for each property.
• Clicking on the Save Loan button saves the existing answers and opens a new window where the status of an additional property may be addressed.

Prior VA Loan Information

**Cash-Out Refinance** – Click yes if the Veteran is seeking a cash-out or regular refinance of a loan whereby the subject property is currently secured by a VA loan, or where the property was previously secured by a VA loan, but is still owned by the Veteran. Do not select this option if the subject property has never been secured by a VA loan.

**Interest Rate Reduction Refinancing Loan (IRRRL)** – VA does not require a COE for IRRRL cases. The user should just print the IRRRL case number screen since it contains all of the information needed. However, the COE is available if the Veteran's information needs to be corrected or updated (e.g. funding fee exemption).
• **One Time Restoration (OTR)** – Click yes if the Veteran still owns a property that was secured by a VA loan, but that loan was paid-in-full, and the Veteran needs the entitlement to obtain a VA loan on a different property. The OTR option allows the Veteran one opportunity to regain used entitlement by bypassing the disposal (no longer owned) requirement. Note that an OTR cannot restore entitlement if the VA loan is still active.

• **Back-to-Back Closing** – If the Veteran is doing a back-to-back closing, the user will not be able to obtain a restored COE in a timely manner. Therefore, VA allows the user to obtain a COE that reflects entitlement used on an active VA loan, close on the VA-secured property, and use the HUD-1 from that sale to effectively restore the encumbered entitlement for the purposes of the back-to-back closing. The lender’s closing department can then obtain a restored COE prior to obtaining a guaranty without the need to delay the subsequent closing until the new COE is processed.

• **Inquiry Only** – If no other option is applicable, the inquiry only option can be used.
6) Upload Documents.

a) The user can upload any new document that will support the request. See the section titled **Suggested Documents to Upload** on page 29.

b) Label the document type as accurately as possible.

c) It is permissible and efficient to group document types into single uploads. Ex: Include all service documents in a single “DD 214” upload.

d) The user can view existing documents in order to confirm what has been uploaded and received by VA; there is no need to call VA to verify receipt.

e) Though it is highly recommended, a user is not required to upload documents as part of the application process. However, doing so may prevent delays in obtaining a COE.
7) Certify Application.

- Review the certification page for accuracy.
- Ensure the questions regarding ownership match the answers given by the Veteran on the signed VA Form 26-1880.
- The user must certify the accuracy of the answers submitted. Failure to certify will cancel the application and no COE will be processed.
- The user can print a copy of the application for their records.
- The user will be able to leave notes for VA once the certification has been made.
8) Record the Reference Number That Appears on the Final Screen.

a) The reference number that appears on the final screen is the number that should be used when making an inquiry regarding the COE or application.

b) Clicking the hyperlink will take the user to the Search screen that is associated with the Reference Number.

c) The final screen confirms the application was successfully submitted to VA.
   - There is no need to call VA to confirm receipt of the application.
   - If the user has concerns about whether documents were uploaded correctly, the user can click on the reference number (hyperlinks to Search) and view the uploaded correspondence.
   - If the user wishes to leave a note to VA, the user can click on the reference number (hyperlinks to Search) and click on Notes. Notes from the user will be read by VA when the application is reviewed (see below).

d) To review the application, click on the Reference Number hyperlink, and then click on the user name that appears on the left menu bar.
9) Leave Notes for VA

Notes

Search Screen via Hyperlink

a) At this point the user can leave VA a note detailing any special concerns or needs.
   • Click on Notes in the upper left menu of the Search screen.

b) Note topics typically include:
   • Clarification on ownership status.
     o Ex: Veteran no longer owns any property – please restore.
   • Details regarding desired corrections.
     o Ex: Veteran’s name is misspelled, should be Karl, not Carl.
   • Corrections / updates to Veteran name.
     o Ex: Please change last name from Brown to Jones.
• Funding fee exemption issues.
  o Ex: Veteran should be exempt from funding fee, please review.
• Cash-out refinance requests.
  o Ex: Veteran is seeking a cash-out refinance on 2302 May St, Wichita KS.
• Updates on military service.
  o Ex: Veteran is no longer on active duty – see uploaded DD 214.

Next Action
  1) The user will receive the COE or a response from VA via e-mail.
  2) The COE and/or response will also appear under Correspondence in the Search screen.
How to Respond to a Return Letter

In cases where VA does not have sufficient information on a particular Veteran to render an eligibility determination, no COE can be issued. Instead, the user will typically receive a Return Application letter that details what documents VA needs in order to make a determination. The Return Application letter will be sent to the user via e-mail, and can also be viewed under Correspondence in the Search screen. The user will need to acquire the requested documentation and reply to the request from VA. This section instructs the user on how to reply to VA when a Return Application letter has been received.

While it is the goal of the EC to request the correct documentation, in many cases VA has little or no service information on the Veteran. VA does not archive service documents for Veterans, so neither the user nor the Veteran should approach the application process with the idea that VA already has copies of the Veteran’s service records, or that the VA can obtain them on behalf of the Veteran. In all cases it is the ultimate responsibility of the Veteran to obtain the required service documents.

How To Submit Requested Documents

1) Enter the Search eligibility link.
   • Do not create a new application in ACE.

2) Enter the reference number, Veteran name and SSN.
   • Type in the reference number as it appears on the Return Application letter.

3) Click on the Upload option.
   • The Upload option is on the left menu bar of the Search screen.
   • Upload the document(s) as directed.
   • Label each upload as accurately as possible.
   • Using separate uploads for differing document groups is permissible.

4) No further action is required.
   • The upload action itself will generate a notice to VA that new documents have been uploaded for review.
   • Leave notes as needed or desired; tell VA the story.

5) NEVER use the upload screen in Search to upload documents unless an electronic application has already been submitted. The documents will not be reviewed by VA, and the user will lose valuable time.
   • The Search-Upload screen should only be used to provide documents in response to a Return Application letter, or to provide documents that were received by the user after the electronic application (ACE/New Application) has been submitted.

Calling the Eligibility Center (EC)

All users are welcome to call the EC. Be advised of the following:

1. A telephone request for a status update will not result in the application receiving immediate attention.
2. If VA made an error when issuing a COE that was generated by ACE, VA will make corrections via the telephone.

3. VA will not make corrections to Search generated COE’s where no electronic application has been submitted.
   - Corrections for Search generated COE’s must be requested using the New Application hyperlink on any Search screen.
   - An unacceptable COE generated by the Search function is not considered to be a VA error.
   - If no electronic application has been submitted by the user, no corrections will be made.

   EC Phone # 1-888-768-2132

**COE STATUS**

**Approved (Ready to Issue)**
If the EC has complete records on a Veteran, the user can usually obtain a complete, approved COE that is ready to use. *In such cases the user can simply view and print the COE; no further processing is required, and no electronic application needs to be submitted. Do note that an Approved COE that has been locked should never be used.*

**Approved (Needs Correction)**
If the COE is complete and approved, but the user finds the COE needs amending due to a condition that must be removed, entitlement that needs restoration, or errors in the Veteran’s name, etc., it is necessary for the user to enter an electronic request for a new COE. When such a request is received, VA will make the corrections as required whenever possible, and the amended COE will be sent to the user. It is recommended that the user leave a note detailing the specifics of the desired amendments.

**Unsuccessful (Requires Manual Processing)**
A request will appear as unsuccessful whenever VA records on the Veteran are incomplete. The unsuccessful designation indicates that VA does not have sufficient information to make an eligibility determination on the applicant, so the user must provide adequate military service records to VA. Once received, the applicant’s service will be analyzed and a determination of eligibility will be made accordingly. Please note that VA may only have records on Veterans who have provided them to the EC previously. Therefore, in order to expedite electronic requests, it is beneficial for the user to provide evidence of military service, when possible.

**Pending (Awaiting Supporting Documentation from User)**
A request will appear as pending when it has been submitted by a user, or when the application has been reviewed by VA and returned to the user requesting additional supporting documentation. This status may be the result of an application having been submitted by the current user, or it may be due to an application that was previously submitted by another user, usually one that did not respond to a VA
request for documents. As a rule of thumb, if a user encounters a pending status when initially submitting a new application, it is probable that VA is in need of supporting documentation from the Veteran.

No Results Found
If VA has no information on a Veteran, the system will be unable to produce any results when a search action has been initiated. When this message is encountered, ensure the name and social security number of the Veteran has been entered into the system correctly. If the same message appears, it is likely VA will need the Veteran’s service records in order to determine eligibility for the Home Loan program (see the section titled Required Service Records for more details). Submitting an electronic application without the supporting records will only delay the processing time.

Common COE Errors

The following are common errors or discrepancies that often require the submission of a new electronic application (ACE) by the user:

Incorrect Name or Other Veteran Data:
- If the Veteran’s name is misspelled, provide VA evidence of the correct spelling.
- VA does not alter full middle names to reflect just the initial or vice-versa.
- Always use the desired name on the electronic application. If the prior name is entered, the COE will be issued under the prior name.
- Legal name changes must be supported by proper documentation.
- Ensure the birth date entered is accurate.
- The Service Number is not the same as the SSN. Do not enter the SSN as the service number.

Unrestored Entitlement:
- Paid in Full – No Restoration. VA records acknowledge the subject loan has been paid-in-full, but the ownership status has not been addressed. Restoration requires the loan to be paid-in-full and the secured property no longer owned. In such cases, the application must contain a certification from the user that the secured property is no longer owned, or a One Time Restoration exception must be requested. If the user states the Veteran never had a VA loan, no restoration action can occur.
- Active VA loan. The user must provide evidence that the loan has been paid-in-full and that the property is no longer owned. A credit report is not acceptable.
- Basic entitlement reflects $0. This does not necessarily indicate the Veteran has no remaining entitlement. This indicates the Veteran’s basic entitlement has been used, but in most cases, the Veteran will have bonus entitlement available.
- Veteran address not updated. Lender indicates Veteran no longer owns any homes that were ever secured by a VA loan, but the Veteran’s current address on the electronic application was such a property. The lender should always update the address on the application. If the Veteran is indeed residing in a property that is no longer owned, the user should leave a note explaining the circumstances.
- A COE does not have to be fully restored to be valid. As long as a Veteran has sufficient entitlement remaining to complete a proposed transaction, a partially encumbered COE is valid.
In many cases a user goes through great effort to obtain a restoration that was not necessary since the Veteran had enough remaining entitlement to obtain a fully guaranteed loan.

**Unrestored Entitlement is the Number One Reason COE Requests Are Resubmitted.**

**Unacceptable Condition or Code:**

1. Cash-Out Refinance. If the Search generated COE reflects a cash-out refinance condition when one is not desired, submit a change request via Search - New Application.

2. One-Time Restoration. The OTR condition does not get removed from the COE as it identifies the Veteran's previous use of the option. The OTR condition does not negatively affect the COE in any manner.

3. Active-Duty Servicemember. If the Veteran has been discharged, the condition no longer applies and must be removed. Provide evidence of the Veteran's discharge. **Note:** Once a Veteran has been discharged from a qualifying tour, the active-duty condition no longer appears on the COE, even if the Veteran is currently on active duty. The active-duty condition only applies to Veterans who have never been discharged at any time, and are still on active duty.

4. Incorrect Entitlement Code. The entitlement code does not affect the COE. Refer to the conditions section on the COE for any special instructions or indicators that the Veteran is a subsequent user or a reservist who may be subject to a higher funding fee.

5. Submit a VA Form 26-8937. This condition does not get removed from the COE; it is not an error. In such cases, the user combines the VA Form 26-8937 with the COE to determine the amount of VA compensation and to confirm the Veteran is exempt from the funding fee.

**Outdated Date of Issue:**

1. Technically, COE’s do not expire.
2. Users are permitted to request updated COEs, when desired.
3. Request an updated COE using the Search - New Application option.
4. Include a note that identifies the reason for the request.

**Funding Fee Exemption Information is Incorrect:**

1. A Veteran must be in receipt of at least 10 percent service-connected disability compensation in order to have the funding fee waived. If the COE appears incorrect in this regard, submit a Search - New Application and include a note requesting confirmation of the exemption status.

2. Submit a request for an updated COE using Search – New Application.

3. When possible, upload a copy of the Veteran’s VA award letter and/or submit a note requesting the exemption status or amount received be verified.
4. In some cases, a COE may reflect Exempt with $0 compensation. If a Veteran is in receipt of compensation, but is subject to a recoupment due to an overpayment made by VA, the COE will reflect $0 compensation. Recoupments are not debts, and are not to be considered as consumer debt in any way. Such Veterans are exempt from the funding fee.

**Suggested Documents to Upload**

1) The complete VA Form 26-1880 signed by the Veteran.
   - Be sure blocks 10-13 are addressed.
   - In cases involving a surviving spouse, use VA Form 26-1817 instead.

2) Service records (DD 214, Points Statement, NGB 22, as applicable).
   - See the section titled **Required Service Records**.

3) Evidence that property currently or previously secured by a VA loan has been sold.
   - HUD-1.

4) Evidence that a VA loan has been paid-in-full.
   - HUD-1.
   - Paid security deed that adequately describes the VA loan and property; many do not.
   - A credit report is not acceptable as evidence.

5) Evidence of a legal name change.
   - Court documents.
   - Marriage license.
   - Passport.
   - A social security card or driver's license is not adequate.

6) Evidence the Veteran is receiving VA disability compensation.
   - VA award letter.

7) Along with documentation, include a note describing any special concerns or needs you may have. Examples:
   - Veteran should be exempt from the funding fee.
   - Veteran is seeking a cash-out refinance.
   - Veteran is married; please use Jones as the last name.
   - Veteran’s name is spelled incorrectly; should be Thompson, not Tompson.

**Note:**
- It is recommended that the suggested documents be included with the electronic application, whenever possible.
- It is not necessary to delay the submission of the application pending receipt of any documents since it is possible that VA may already have records on the Veteran.
  - Documents may be added to an existing electronic application at any time.
• The inclusion of documents will often reduce the potential for a return letter from VA requesting pertinent documents.

**REQUIRED SERVICE RECORDS**

**Currently Serving on Active Duty, Reserves, or National Guard:**
- Statement of service letter from the command.
- Reservist statement of service letters **must** reflect at least 6 creditable (or satisfactory) years of service.
- A statement of service letter is not needed if the Veteran has been previously discharged and has a qualifying active duty tour. Provide a DD 214 or Reserve records as evidence (see below).

**Prior Active Duty – Discharged:**
- Discharged prior to 1980 – copy of DD 214.
- Discharged 1980 or later – copy of DD DD 214, Member-4.
  - Member-1 does not provide reason for separation or character of discharge information.
  - A return for Member-4 is the main reason for service record returns.

- Includes Reservists or National Guard members who have been deployed.
- WWII Veterans often have alternative documentation that is acceptable.

**Reservists - Discharged:**
- Retirement points statement and evidence of an honorable discharge.
- A DD 214 reflecting **active-duty for training is not adequate**.
- Include all point statements that are available.
- Include a copy of the DD 214, Member-4 for every deployment.

**National Guard Members - Discharged:**
- NGB 22 and evidence of an honorable discharge.
- Important! - Include every NGB 22 the Veteran has on record.
- Can combine NGB 22 and point statement if needed.
- A DD 214 reflecting active duty for training is not adequate.
- Include a copy of the DD 214, Member-4 for every deployment.

**Be Advised:**
- VA **may** have records on Veterans who have contacted VA in the past.
- In all cases it is the ultimate responsibility of the Veteran to provide copies of their records.
- Veterans may be able to obtain copies of their records from the National Archives. Please contact 1-866-272-6272.
- Provide applicable military records with an electronic application, whenever possible.
- Never try to determine eligibility for the Veteran; allow VA to make the determination.
RESTORATION OF ENTITLEMENT

The amount of entitlement that a Veteran has available determines the maximum loan amount that VA will guaranty on the Veteran’s behalf. If a Veteran uses a portion of their entitlement, they still may have enough entitlement remaining to obtain a second VA home loan. In cases where the Veteran does not have enough entitlement remaining to obtain a desired VA home loan, it becomes necessary to seek a restoration of previously used entitlement.

In Order for Entitlement to be Restored, Two Conditions Must be Met:

- The VA home loan on which the entitlement was used must be paid-in-full.
- The property that secured the VA home loan must be disposed of (sold).
  - A one-time exception to the disposal rule is available.
  - The disposal rule does not apply to most cash-out refinance cases.

It is Not Always Necessary to Obtain a Restoration of Entitlement

- If the Veteran has enough remaining entitlement to cover the size of the new VA home loan being sought, restoration is not necessary.
- Many users unnecessarily order restorations on COE’s in cases where the Veteran already has enough entitlement remaining to obtain a full guaranty.
- See the section titled Calculating Remaining Entitlement.
- Example: A COE reflects $0 base entitlement and one home loan where $36,000 in entitlement was used. In such a case, the Veteran can still receive full guaranty on a loan amount of $144,001 - $273,000 using that COE with no restoration being necessary. The cap amount will be even higher in a high-cost county.

Entitlement Charged on the COE:

<table>
<thead>
<tr>
<th>VA Loan Number</th>
<th>State</th>
<th>Loan Amount</th>
<th>Date of Loan</th>
<th>Entitlement Charged</th>
<th>Status</th>
</tr>
</thead>
</table>

- On the example above, the Veteran has already used $51,917 of their entitlement.
- Base entitlement is $0. The Veteran still has some bonus entitlement remaining.
  - If the remaining entitlement is sufficient to obtain a full guaranty on the desired new home loan amount, an order for a restored COE is not necessary.
  - Example: For a purchase or a refinance in a non-high cost county, the Veteran can obtain a full guaranty on a home loan amount that is $144,001 - $209,332 using the COE as-is.
ENTITLEMENT STATUS

Active:

<table>
<thead>
<tr>
<th>Prior Loans charged to entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA Loan Number</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>28-28-6-001000</td>
</tr>
</tbody>
</table>

This Veteran's Basic Entitlement is $0*
Total Entitlement Charged to Previous VA Loans is $36,000*

Obtaining a Restoration of the Entitlement Charged:

- Requires evidence the loan has been paid-in-full.
- Requires certification declaring the property is no longer owned.

Or:

- The Veteran may obtain a cash-out conditional COE. The subject property must be the property that secures the new VA home loan being sought.

Paid in Full – No Restoration

<table>
<thead>
<tr>
<th>Prior Loans charged to entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA Loan Number</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>28-28-6</td>
</tr>
</tbody>
</table>

- Requires certification declaring the property is no longer owned.
- If owned, the Veteran may utilize the One Time Restoration option.
- If owned, the Veteran may obtain a cash-out conditional COE. The subject property must be the property that secures the new VA home loan being sought.

If the VA system or other evidence indicates the loan has been paid-in-full, but no restoration of entitlement has occurred, the Veteran must provide a certification of ownership status via VA Form 26-1880, or the lender may certify on behalf of the Veteran that the property that secured the VA home loan is no longer owned.
Foreclosure / Compromise Loans

<table>
<thead>
<tr>
<th>VA Loan Number</th>
<th>State</th>
<th>Loan Amount</th>
<th>Date of Loan</th>
<th>Entitlement Charged</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>44-44-2</td>
<td>CA</td>
<td>$136,249</td>
<td>05/01/1989</td>
<td>$36,000</td>
<td>Foreclosure/Deed In Lieu</td>
</tr>
</tbody>
</table>

- Restoration requires full repayment of any loss incurred by VA as a result of the foreclosure.
  - No installment payments are accepted and the balance due is not negotiable.
  - Includes Foreclosure, Deed-in-Lieu, Compromise sale, and Loan Acquired cases.

**Important**
- If the loss is not repaid, the Veteran may still use bonus entitlement.
- A foreclosure action or outstanding loss does not bar a Veteran from using the program.
- Calculate the remaining entitlement in the same manner as any other case involving encumbered entitlement.

**MOST COMMON ERROR**
Many Users Misinterpret the Following COE Disclosure:

```
THIS VETERAN'S BASIC ENTITLEMENT IS $0*
TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS $36,000*
```

**Be Advised:**
- This disclosure does not state that the Veteran has no remaining entitlement.
- This disclosure does not indicate the Veteran cannot obtain a new VA home loan.
- This disclosure simply indicates the Veteran has no basic entitlement remaining.
- Most Veterans have a portion of their bonus entitlement remaining and are able to obtain a new VA home loan using the bonus entitlement.
**ACCEPTABLE TYPES OF EVIDENCE**

Evidence a Loan has Been Paid-in-Full:

1. **HUD-1**
   a. Best if fully executed, but not mandatory.
   b. Ensure loan was not assumed (taken Subject To) by the buyer.

2. **Paid Security Deed**
   a. Must adequately describe the property and loan.
   - Check for dates, loan amount, lender, etc.
   b. Ideally, the deed will reference the VA Loan Identification Number.

3. **Relocation Agreement**
   a. Sale of property must have been consummated.
   b. VA requires evidence that the loan has been paid off by the relocation company.

4. **Paid-in-Full Letter from the Lender**
   a. Ensure the letter does not just address a servicing transfer.
   b. Must properly identify property and loan.

5. Note: A credit report is never acceptable to evidence a paid-in-full loan.

Evidence a Property is No Longer Owned:

1. **VA Form 26-1880** signed by the Veteran certifying that the property is no longer owned.

2. **HUD-1**
   a. Ensure the HUD-1 is not for a refinance transaction.
   b. Ensure the loan was not assumed (taken Subject To) by the buyer.

3. **Relocation Agreement**
   a. Note: The agreement can confirm disposal, but does not confirm the loan has been paid-in-full.

4. **Electronic Application** from the Veteran or Lender.
   a. Ownership questions certify the Veteran no longer owns the property.

5. **Quit-claim deed** or other evidence that the Veteran has been removed from the title.
MISCELLANEOUS INFORMATION

1. If a Veteran was issued a COE in the past in error, VA will not continue the error by issuing a new COE.
   • If a review of a Veteran record reveals that a previous COE should never have been issued, VA will not continue the error by issuing a new COE.
   • VA acknowledges that a Veteran will assume they are eligible for the Home Loan program when they have been issued a COE in the past. However, such an assumption is not grounds for issuance when a Veteran is not eligible.
   • If VA requests service documents on a Veteran, do not forward a previous COE as evidence of service or eligibility.

2. A COE should always be ordered well in advance of the closing date.
   • Order the COE as soon as possible.
   • VA will not put one Veteran ahead of another Veteran because of a lack of planning on the part of the lender.

3. Improper or incomplete answers are the most common cause for delays in issuing a COE, especially those related to restoration issues.
   • Always answer the questions regarding previous VA loans.
   • Restoration requires the VA-guaranteed home loan be paid in full, and the property that secured the loan be disposed of (sold).
   • Paid-in-Full – No Restoration: This indicator appears when the Veteran still owns a property that at one time has been secured by a VA-guaranteed home loan. VA acknowledges the loan has been paid-in-full, but VA records do not show that the disposal requirement has been met.

4. Ensure the answers on the application are accurate.
   • Questions regarding the ownership status of properties that have ever been secured by a VA-guaranteed home loan should be addressed accurately.
   • A user should never amend answers so as to obtain restored entitlement.
   • The user should have an executed VA Form 26-1880 from the Veteran upon which the answers input into the electronic application are based.
   • The user is certifying the answers on behalf of the lender. Should it be determined that VA restored entitlement based upon incorrect answers, it is possible for VA to withdraw the guaranty on the loan.