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CHAPTER 8. PROCESSING PAYMENTS/VOUCHERS

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8.01 ESTABLISHING OBLIGATIONS AND REQUESTING INCREASES /
DECREASES TO EXISTING OBLIGATIONS

a. General. Regional Loan Centers (RLCs) must ensure that funds are obligated by the Administrative and Loan Accounting Center (ALAC) for all direct loans. There are two procedures which must be followed for (1) establishing initial obligations and requesting increases/decreases in established obligations and (2) establishing a NADL Setup Sheet. There is an additional procedure required for Interest Rate Reduction Refinancing NADLs. These procedures are outlined below.

b. Information to be Provided to ALAC. Field station personnel must provide a copy of the NADL approval or loan commitment letter to designated ALAC personnel within 1-business day of the letter being issued. The only exception to this 1-business day timeliness standard is NADL approvals/commitment letters issued locally in remote areas where e-mail is unavailable. In such cases, the letters must be provided to ALAC within 1-business day of the field personnel's return to the RLC/Regional Office. These letters should be provided even if the Veteran has not selected the contractor, or if the contractor does not yet have a vendor number.

c. To Establish NADL Obligations. In addition to a copy of the loan commitment letter being sent to the Veteran, the RLCs must provide ALAC with the following information:

1. Veteran's name,
2. Address of subject property,
3. Loan number,
4. Loan amount (itemize break-out for expenses), and

5. The vendor's name, address, and vendor/tax identification number, if available. If this information is not available at the time the loan commitment is issued, the RLC must provide this vendor-related information as it becomes available.

d. To Request NADL Increase / Decrease to Obligated Funds. RLCs must provide ALAC with the following information by e-mail or fax:

1. Loan number,
2. Amount of increase or decrease, and
3. The final total loan amount.

8.02 NATIVE AMERICAN DIRECT LOAN (NADL) SETUP SHEET REQUIREMENTS

ALAC is responsible for boarding all NADL loans with the service provider. Once the NADL has closed, the RLC must send the following documents to ALAC:

a. NADL Originations.

1. Setup Sheet. This document must include the following:

- (a) Indication of loan type (Direct),
 - (b) The new VA loan number, homeowner(s) name(s), and all other pertinent data associated with the homeowner(s),
 - (c) The new principal balance and escrow balance,
 - (d) The fund and cohort year, and
 - (e) The preparer's signature and date.
2. Closing Document (HUD-1) which includes the new VA loan number.
3. VA Form 26-8497a, Request for Verification of Deposit, or the Unapplied Deposit Detail Table (UDDT) screen.
4. Obligation number, to be retrieved by the finance activity.

b. Interest Rate Reduction Refinancing NADLs.

1. Setup Sheet. This document must include the following:

- (a) Indication of loan type (Direct/IRRRL),
 - (b) The new VA loan number, homeowner(s) name(s), and all other pertinent data associated with the homeowner(s), and
 - (c) The previous VA loan and servicer provider numbers.
2. HUD-1, which includes the new VA loan number.
3. VA form 26-8497a, Request for Verification of Deposit, or the UDDT screen.
4. Obligation number, to be retrieved by the finance activity.

8.03 NADL INTEREST RATE REDUCTION REFINANCE LOAN (IRRRL)
REQUIREMENTS FOR NEW LOAN OBLIGATIONS AND OLD LOAN PAY-OFFS

The RLC will e-mail the documents listed below to designated ALAC personnel. All IRRRL requests must be forwarded to ALAC. ALAC will process payments to the service providers and to vendors, as needed.

- a. New NADL. All new NADL requests must include:
 1. Veteran's name,
 2. Property address,
 3. New loan number,
 4. Cohort year of new loan,
 5. Loan amount (itemize break out of expenses),
 6. Old loan number,
 7. Cohort year of original loan,
 8. Payoff amount, and
 9. Payoff date.
- b. Request IRRRL Old Loan Payoff. All requests must include:
 1. Veteran's name,
 2. New loan number,
 3. Old loan number,
 4. Payoff amount,
 5. HUD-1 for new loan, and
 6. Invoices, if any, from vendor(s) (example: title company).

8.04 PREPARING VOUCHERS, GENERALLY

a. General. Vouchers for refund of fees will be prepared on Standard Form (SF) 1047, Public Voucher for Refunds, and vouchers for payment of travel expenses incurred by a

salaried appraiser or compliance inspector will be claimed on SF 1012, Travel Voucher. All other vouchers will be prepared on SF 1034, Public Voucher for Purchases and Services Other Than Personal. Except for vouchers covering disbursement of loan proceeds, a voucher may cover disbursements in connection with more than one application fee or more than one loan, provided the same payee is involved. In such cases, the voucher will identify each application and loan number and the amount chargeable. In every case, the name of the Veteran and the loan number must be shown on the voucher. ALAC will take appropriate action to effect adjustment between appropriations and funds. When preparing vouchers or indicating disposition of any funds received, it is important to note that these receipts and expenditures are in connection with the NADL program.

b. Vouchers For Loan Disbursement. All vouchers for loan disbursements will be drawn to the order of the Veteran-borrower or the joint order of the Veteran-borrower and the payee or payees named on the SF 1034. The designation of the loan closer as joint payee with the Veteran-borrower will be optional. Such vouchers will direct that checks be mailed to the loan closer. Vouchers will be completed to show the following data under "Articles or Services":

1. Name of Veteran-borrower,
2. Purpose of payment,
3. Location of property or proposed construction,
4. Loan number and date of approval,
5. Amount of approved loan,
6. Signatory, and
7. Statement: "The amount to be paid per this voucher is or will be supported by properly executed documents and papers issued in relation to the particular loan."

c. Vouchers for Final Disbursements of Loan Proceeds. The voucher covering the final disbursement of the loan will be prominently identified as such. No supporting documents will be attached to such vouchers. Such vouchers will be certified for payment by the RLC Finance Officer even though he or she has not received notice of the transfer of the funds. Vouchers will be submitted to ALAC for processing. ALAC will verify vouchers for loan number and vendor information, and will also ensure that sufficient funds are available on the obligation before processing. Disbursement vouchers will post to FMS and update standard general ledger accounts.

d. Vouchers for Loan Closing Disbursements. Vouchers for disbursing the loan will be prepared on the basis of a schedule which will ensure the receipt of the checks by the loan closer not less than 1-business day prior to the date set for the closing of the loan.

To ensure timely payment, vouchers should be sent to Finance no less than 10-business days prior to loan closing.

e. Distribution of Vouchers. Vouchers will be distributed in the following manner:

1. The original voucher will be forwarded to the Finance Officer.
2. One copy will be filed in the RLC with jurisdiction's direct loan docket. In the case of vouchers covering payment of items chargeable to more than one application fee or loan, a copy will be filed in the docket pertaining to one application or loan and an appropriate cross-reference filed in the other pertinent dockets.