

USE OF ELECTRONIC SIGNATURES IN CONJUNCTION WITH DEPARTMENT OF
VETERANS AFFAIRS (VA) GUARANTEED HOME LOANS

1. Purpose. The purpose of this circular is to clarify that electronic signatures are acceptable for use in conjunction with the VA Home Loan program.
2. Background. The Federal Electronic Signatures in Global and National Commerce Act, commonly referred to as the E-sign Act, was signed into law on June 30, 2000. The E-sign Act provided baseline rules for internet commerce, including nondiscrimination between handwritten and electronic signatures, retention of all electronic records in a similar fashion and duration as would be applicable for a handwritten signature, and the provision of electronic acknowledgment or notarization of online documents when necessary. In addition, the E-sign Act established that no contract or legal document signed online may be denied legal efficacy because it was delivered by an automated program.
3. Action Required. Lenders are not required to use electronic signatures in the course of closing VA home loans; but, if they choose to, they must comply with the E-sign Act, just as they are required to comply with all Federal laws. Failure to comply with any Federal statute could result in denial of guaranty on a particular loan, withdrawal of automatic lending authority, and/or debarment from all Federal programs.
4. Questions. Direct any questions on this issue to Erica Lewis at Erica.lewis@va.gov.
5. Rescission: This circular is rescinded January 1, 2015.

By Direction of the Under Secretary for Benefits

Michael J. Frueh, Director
Loan Guaranty Service

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