



Loan Guaranty Conference 2023

Claims

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VA



U.S. Department
of Veterans Affairs

Claims

Servicers have the option to submit claims to the Department of Veterans Affairs (VA) for reimbursement of any fees, costs, and losses associated with the termination of a guaranteed loan within 365 days of termination.

- ▶ Claims may be submitted on the following:
 - Foreclosure
 - Deed-in-Lieu of foreclosure
 - Compromise sale
 - Terminated mobile home
 - VA Purchase
- ▶ Please note this training does not cover Partial Claims

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General Claim Information

Total Eligible Indebtedness (TEI) = Unpaid Principal Balance + Accrued Interest + Allowable Advances & Expenses – Credits

- ▶ Gross Claim Amount equals the TEI, minus the proceeds of sale.
 - If the guaranty amount is greater than or equal to the gross claim amount, the amount payable is the gross claim amount.
 - If the maximum guaranty is less than the gross claim amount, the amount payable is the maximum guaranty amount, plus VA liquidation appraisal and Title V septic fees (if VA acquires the property).

VALERI Internet Resources

▶ Claim resources can be accessed at the following link:

https://www.benefits.va.gov/homeloans/servicers_valeri.asp

- VALERI Fee Cost Schedules
- VALERI Fee Cost Schedule Frequency
- State Foreclosure Process and Statutory Bid Information
- Allowable Attorney Fees
- VA Servicer Handbook, M26-4 – Claims, Chapter 14 and Appendix H
- VALERI Claims Bulk Upload Template
- Title Documentation, Insurance and Timeframe Requirements
- VALERI Servicer Newsflashes
- VA Circulars

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Appealed Claims

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Appealed Claims

Appeals are filed in the Servicer Web Portal (SWP), through the 'Appeals' link on the left-hand side of the screen.

- Request for items denied or capped on the original claim, unpaid principal balance, and/or an adjustment to the allowed interest date.
- Filed through the SWP up to 30 days after the claim certification date.
- Only one appeal can be submitted and must include all items.
- Appealed claim decisions are final.
- The request must include justification/supporting documentation and invoices.

Supplemental Claims

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Supplemental Claims

Supplemental Claims are filed in the Servicer Web Portal (SWP), through the 'Report an Event' link on the left-hand side of the screen.

- Request for items not included on the original claim.
- Request for items not included on the original claim.
- Filed through the SWP up to 365 days after loan termination.
- There is no limit to the number of supplemental claims allowed on a case.
- Supplemental claim decisions are final.
- The request must include justification/supporting documentation and invoices.

Property Preservation

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Property Preservation Requirements

Properties are conveyed to VA in an 'As Is' condition

- ▶ VA Servicer Handbook, M26-4: Appendix H
 - **Inspection Requirements:** An inspection is required prior to the 60th day of delinquency, unless a loss mitigation option is active, and the property remains occupied.
 - **Securing:** Properties must be secured to prevent unauthorized entry and to protect against weather-related damage.
 - **Winterization:** Timing requirements for winterization were updated to allow winterization action to be completed all year in states where allowed.

Property Preservation Requirements (continued)

▶ VA Servicer Handbook, M26-4: Chapter 14

- **Advances:** VA allows advances for lienable items up to 30 days past the date of conveyance to VA.
- **Expenses:** VA allows certain liquidation expenses, which vary by state and type of foreclosure process.

Reports

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Claim Related Reports

- ▶ **Claim Detail Results:** Provides the final detailed claim results, including line-item determinations.
- ▶ **Claim Summary:** Provides the status of claims from pending to certification for Basic, Supplemental, and Appealed Claims.
- ▶ **Appeal Details Results:** Provides the final detailed results of VA's review, including line-item determinations.
- ▶ **Appeal Summary:** Provides the status and disposition of appeals filed.
- ▶ **Appeal Claim Details:** Reflects the final detailed claim results for Appeal Paid Claim.
- ▶ **Payment Denial:** Reflects all loans where no payment was issued for an acquisition, incentive, basic, appealed, and supplemental claim.

Reminder: Date range must include the date of VA's final determination.

Inquiries

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Questions

▶ Assigned Cases in VALERI

- Contact the VA Loan Technician
- Phone Number and Email Located in SWP
- Additional RLC Contact Info on the VALERI Website

▶ Unassigned Cases or Policy Questions

- Inquiries submitted through ServiceNow

▶ Data Integrity Issues

- Contact the Data Quality Team at VALERIdataquality.VBASPL@va.gov

Questions?

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