

VALERI Servicer Newsflash

May 11, 2016

IMPORTANT INFORMATION

Foreclosures on Mobile Homes – Foreclosure declaration documents must specifically reference the mobile home in order to assure that both the home and the land are properly foreclosed. Many states require two separate foreclosing proceedings to occur – one proceeding to foreclose the interest on the land and a second proceeding to foreclose on the title to the mobile home. The second procedure may have to be filed with the state Department of Motor Vehicles (DMV). When the loan is referred to foreclosure, the servicer must advise the foreclosing attorney that it is a mobile home and whether filing with the state DMV is required. VA will re-convey the mobile home to the servicer if it is determined that the foreclosure was not in compliance with requirements (Code of Federal Regulations, Title 38, Part 36, Subpart B, §36.4323).

Extension of Servicemembers' Civil Relief Act (SCRA) – On March 31, 2016, President Obama signed the Foreclosure Relief and Extension for SCRA, which extends the current 1-year period of protection against foreclosures through December 31, 2017.

Illinois Consent Judgments – If a loan terminates by a consent judgment in the state of Illinois, the servicer should report the Deed in Lieu Complete event. VALERI will automatically pay the deed in lieu attorney fees on the Basic Claim. If the servicer incurred foreclosure attorney fees, the servicer will need to submit an appeal.

Servicer Transfer Events – The Servicing Transfer (*Receiving Servicer*) event should only be reported when a servicer is acquiring the loan from another servicer. This event is not required to be reported at loan origination. The event should be reported after the servicer selling the loan has reported the Servicing Transfer (*Transferring Servicer*) event in VALERI. Failure to report these events in the proper order could result in a business rule failure (Code of Federal Regulations, Title 38, Part 36, Subpart B, §36.4317).

Due to a known defect reported in the VALERI Servicer Newsflash dated February 23, 2016, all servicers should continue to use the SWP Bulk Upload template located on the VALERI website to report servicer transfer events. The template can be found under 'Guides and Templates' at http://www.benefits.va.gov/homeloans/servicers_valeri.asp. This defect is tentatively scheduled to be resolved in the September 16.3 manifest release.

REMINDER

Liquidation Appraisal Fees – Servicers are expected to pay VA appraisers timely.

Bulk Upload Template – Servicers should remove all loans from the Bulk Upload template that are not in their portfolio. Reporting on loans no longer in your portfolio causes rejected and failed events to generate. Event reporting status can be found on the Servicer Event Report Log and also on the Servicer Loan Listing report.

VALERI Password Reset Requests – The VALERI helpdesk does not reset passwords. Users must contact their VALERI Company Administrator within their office for all VALERI password resets and other access issues.

Improper Transfer of Custody (ITOC) or Invalid Sale Results (ISR) – If a servicer reports an ITOC or ISR event in error, the event cannot be cancelled. The servicer is still responsible for the Property Management fee of \$3,410 which will be included in a bill of collection (M26-4 VA Servicer Handbook, Chapter 17).

DEVELOPMENT UPDATES

On Thursday, April 28, 2016, VALERI 16.1 Reports manifest was released. The following report enhancements were included:

CQ 11562 – Added a definition to describe the Servicer User Audit report

CQ 11240 – New Appeal Summary report has been created to provide additional detailed information and replaces the Appeal Status report. This new report provides the status and disposition of all appeals submitted. The report includes the item and dollar amount being appealed, the status of the appeal, and the results of VA's review. The Appeal Status report will be removed from VALERI in a future release.