The Road Ahead at Loan Guaranty Service
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Today's challenges...

Record breaking loan volume

Guaranteed loans for Veterans in FY20, and Veterans purchasing a home

Over 428,000

$1.246M

Drive innovation for LGY's future...

API Forward Approach
While still allowing for a manual upload of the XML file, the future state of LGY Hub will be built around Application Programming Interfaces (API) allowing for a seamless integration with, and data transmission to LGY.

End-to-End Processing
Our modernized processing will have the functionality to process the entire loan within LGY Hub, providing a simplified, streamlined process for the lending community.

Evolving legislation requires LGY to rethink how benefits are delivered to Veterans...

COVID-19 + CARES ACT Response

Agile policy approaches for continuous benefit delivery in times of crisis

Industry Alignment
LGY's modernization effort will align LGY with the current standards of the uniform datasets (Uniform Loan Application Dataset (ULAD), Uniform Appraisal Dataset (UAD v2.6), Uniform Closing Dataset (UCD v3.3), and Uniform Loan Delivery Dataset (ULDD v3.0)), the Mortgage Industry Standards Maintenance Organization (MISMO 3.4), to align LGY with that of the lending community and Federal agencies.

Guaranty Certificate & Funding Fee Remittance
Our new solution will leverage the UCD and ULAD to remit the funding fee, obtain the loan guaranty certificate, and enhance the Full File Loan Review (FFLR), allowing LGY to provide a quicker determination of the borrower, streamlining the lending process with confidence – serving as the foundation for Guaranty Certainty.

Improved Veteran Experience
Modernizing LGY means an increased focus on our customers, Veterans. Customer Relationship Management (CRM) best practices enable stakeholders to see real-time, relevant loan information throughout the loan lifecycle.
Loan Guaranty Service’ End-to-End Modernization

**Application + Eligibility**
- Loan Application API to provide machine readable feedback in response to ULAD
- Eligibility API 1.0 to obtain Certificate of Eligibility

**Property Valuation**
- Appraisal API 1.0 request appraisal via API + appraiser notifications
- Appraisal UI 2.0 additional appraisal management features

**Closing**
- Guaranty API 2.0 allows for pre-close preliminary UCD + other enhancements

**Loan Guaranty Certificate + Funding Fee Remittance**
- Guaranty API 1.0 Test Environment available for lenders
- Optional Streamlined Guaranty Remittance through API (1.1) or UI including UCD/ULAD
- Guaranty API 2.0 allows for pre-close preliminary UCD + other enhancements

**Post-Closing Oversight**
- Guaranty API 3.0 Guaranty Certainty
- Oversight API provide IFLR documents via API

**Lender + Veteran Experience**
- Lender User Authorization Mgmt.
- UI for Loan Case Mgmt.
- Automated Rules Engine
- Enhanced Lender Self-Service Functionality
- Real Time Loan Status Tracking
- Veteran Portal

**Future Vision**

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<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>Milestones</th>
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<tbody>
<tr>
<td>2021</td>
<td>Q3 (Jul. – Sep.)</td>
<td>Guaranty API documentation published</td>
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<td>Q4 (Oct. – Dec.)</td>
<td>Publish Guaranty API 1.0 Spec available for Lenders</td>
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Application + Eligibility

Functionality

Loan Application API
- Provides machine readable feedback in response to ULAD
- ULAD versioning on the backend

Eligibility API 1.0
- Eligibility API 1.0 to obtain Certificate of Eligibility (COE)

Eligibility API 2.0
- Provides Veteran COE feedback in response to ULAD
- Provides projected funding fee

Benefits

- Reduced time to close
- Early feedback from VA around COE and funding fee
- Ability to provide Veterans with early and certain funding fee and COE information
- Reduced manual intervention in COE process
Property Valuation

**Functionality**

**Appraisal API 1.0**
- Order an appraisal from VA

**Appraisal User Experience**
- Order an appraisal from VA
- Rudimentary appraisal management
- Appraisal User Interface 2.0 for advanced appraisal management

**Benefits**

- Reduced future lender costs allow incrementally lower VA loan note rates for the Veteran
- More automated and earlier establishment of case and loan parameters with LGY
- Faster and smoother appraisal process
- Less manual intervention in early case processing and lender question and answer
Closing

**Functionality**

- **Guaranty API Documentation Published**
- **Guaranty API 2.0**
  - Utilize Guaranty API to support loan compliance
- **Enhanced Lender Scorecard 1.0**
  - Automated lender-facing scorecard leveraging ULAD and UCD datasets

**Benefits**

- Earlier validation in the loan lifecycle enables lenders **guaranty certainty** prior to the loan closing
- **Reduces** financial **risk** to lenders and Veteran borrowers
Loan Guaranty Certificate + Funding Fee Remittance

**Functionality**

- **Guaranty API Maturity (1.0 to 3.0)**
  - API driven transmission of UCD, ULAD, and other data
  - Enables lenders to receive confirmation of funding fee remittance and loan guaranty certificate within their Loan Origination System (LOS)
  - Allows the future retirement of the Funding Fee Payment System (FFPS)
  - Provides the foundation for Guaranty Certainty

**Benefits**

- Leverages MISMO data standards
- Creates a simplified, one-step process for lenders to remit the funding fee and request the loan guaranty certificate
- Enables lenders to fully automate the funding fee remittance and loan guaranty request processes
- Create rules for funding fee remittance that prevent funding fees from being remitted in error
- Electronic UCD and ULAD submission reduces manual entry
Post-Closing Oversight

**Functionality**

**Oversight Experience 1.0**
- User interface to prepopulated and streamlined FFLR oversight

**Oversight API 1.0**
- Lenders can provide FFLR loan file documents via API

**Oversight Experience 2.0**
- User interface to support machine-assisted review
- Workflow-related enhancements to allow for automated feedback

**Benefits**

- Reduces frequency of late-breaking funding fee or other closing cost changes for Veteran
- Reduced manual effort to scan and submit loan package
- Provides VA significant labor savings in FFLR process
- Increases automation in FFLR process
- Reduces frequency of FFLR defects
Lender + Veteran Experience

**Functionality**

- Push notifications to lenders with actionable feedback from UCD
- Enhanced lender user authorization management
- VA specific Automated Underwriting Rules Engine
- Veteran-facing Portal – including real-time loan status tracking

**Benefits**

- Reduces future lenders costs which indirectly allows incrementally lower VA loan note rates
- Enhances lender’s insight into program standing and compliance
- Enables Veterans to track the progress of their loan application
- Underwriting Rules Engine offers lenders the option to obtain automated mortgage insurance eligibility indicators directly from VA
The LGY Technology Updates page is your go-to resource for the latest developments on these modernization initiatives. Visit the LGY Technology Knowledge Center to stay current with:

- API Documentation
- Testing timeframes
- Roadmap Developments

Technology Knowledge Center URL - https://www.benefits.va.gov/HOMELOANS/technology_knowledge_center.asp