

CHAPTER 16. APPEALS

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16.01 APPEALS

a. Servicers may submit an appeal when they disagree with a VA payment or event decision. All appeals must be submitted within 30 calendar days from the date of VA's decision.

b. Servicers must provide supporting documentation with specific page number references and their justification at the time the appeal is submitted in the Servicer Web Portal (SWP). Servicers may not appeal a VA decision more than once. As a result, if there are multiple disallowed items on a claim payment, they must submit only one appeal inclusive of all items.

16.02 APPEALABLE ITEMS

a. Servicers may appeal the following:

1. Denied Incentives.

2. Basic Claims:

(a) Late Basic Claim. Claims submitted beyond 365 days after termination.

(b) Denied Basic Claim. Where VA's decision was to deny (e.g., deny a claim in a situation of an indemnification agreement and the servicer is the originating lender).

(c) Paid Basic Claim. Disallowed items or amounts, unpaid principal balance, proceeds of sale, and days of interest. Servicers may also appeal line items on a negative Basic Claim.

(d) Post-Audit Claim. When the servicer disagrees with VA's findings on a post-audit claim.

3. Acquisitions:

(a) Late Acquisition. Transfer of Custody (TOC) was not submitted within 15 days of termination (results of sale, confirmation of sale, or deed recorded).

(b) Denied Acquisition. TOC where VA denied acceptance of the property.

(c) Paid Acquisition. When the servicer believes they were entitled to a different amount.

4. Regulatory Infractions. Regulatory infraction, which VA imposed and the servicer believes to be invalid.

5. Bill of Collection. BOC imposed which the servicer believes to be invalid.

6. Post-Audit Claim. When the servicer disagrees with VA's findings on a post-audit claim.

16.03 REVIEW APPEALED PAID CLAIM

a. VA-assigned technicians carefully review and consider reimbursement over the listed maximum allowable on the claim within reason. This is especially important for items where the servicer has no control, such as foreclosure facilitation/recording/filing fees or other items that may be established by local governmental or independent authorities. Appeals submitted without proper documentation will result in the denial of the appeal.

b. VA allows interest for 210 days from the due date of the last paid installment, plus the maximum allowable state foreclosure timeframe. If delays occur which are beyond the control of the servicer, they may submit an appeal for additional interest on the loan. Servicers are not allowed additional interest if the delay was due to an error by the servicer's attorney or the servicer.

c. Items that cannot be paid above the regulatory maximum include attorney fees (foreclosure, deed-in-lieu of foreclosure, bankruptcy), property inspections, appraisal fees, and bankruptcy filing fee.

d. Appraisal updates, investigation fee related to service, special assessments, attorney fees for foreclosure restarts, and vacant property registration, may be allowed at the time of appeal with the proper documentation and justification submitted.

e. For final accounting/investor purposes, servicers may submit an appeal on loans where a claim may have reached the maximum guaranty payable. No payment may be issued; however, VA will carefully review and consider any item that may be approved as an allowable item. Appeal decisions may be used by the servicer to obtain reimbursement funds from their investor.

f. Information on other appeal types can be found in the VALERI Technician User Guide, located on the VALERI intranet at <https://vbaw.vba.va.gov/homeloans/valeri.asp>.