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2.01 INTRODUCTION

 a. The VA Loan Electronic Reporting Interface (VALERI) is a web-based application that supports VA employees, and servicers operating in the current regulatory environment. VALERI is central to servicing VA-guaranteed loans.

 b. Servicers access VALERI through the Servicer Web Portal (SWP). The SWP is a primary means of communicating with VA about VA-guaranteed loans, and enables servicers to report events, submit claims, submit appeals, upload documents, and access various reports. VA provides status and feedback on all loans through timely and reliable reports through the Reports link in VALERI.

 c. When servicers utilize a service bureau that has a direct connection with VA, the service bureau submits most servicing events through a nightly file exchange process. Otherwise, servicers utilize the SWP to submit loan events.

 d. This chapter will provide an understanding of the following:

 1. Servicer interfaces and cycle times.

 2. Servicer roles and responsibilities.

 3. Servicer event reporting.

 4. Case assignment.

 5. Accessing VALERI.

 6. Servicer Web Portal Application.

 7. Reports.

 8. Policies for handling paper documents.

 9. User management.

2.02 SYSTEM INTERFACES AND CYCLE TIMES

 a. VALERI interfaces with the following VA systems:

 1. The Web-enabled Loan Guaranty System (WebLGY). Loan Production (LP) oversees the

origination of VA-guaranteed loans. LP uses WebLGY to capture VA baseline loan information such as property, Veteran, lender, and loan data. Construction and Valuation (C&V) is responsible for managing the valuation of VA-guaranteed properties, and overseeing all matters related to fee appraisers, the Lender Appraisal Processing Program (LAPP), and the Servicer Appraisal Processing Program (SAPP). C&V uses WebLGY for appraisal requests and to capture appraisal information.

 (a) Updates nightly.

 (b) Two-way direction.

 (c) Information sent to VALERI includes baseline loan information, NOV issue date, NOV

expiration date, and NOV “as-is” amount.

 (d) Information sent by VALERI includes loan status update, and Veteran entitlement updates.

 2. The Centralized Property Tracking System (CPTS). Property Management (PM) is

responsible for the preservation, marketing, and sale of acquired properties and uses CPTS to

manage this function.

 (a) Updates nightly.

 (b) Two-way direction.

 (c) Information sent to VALERI includes post-sale analyses, redeemed properties, and

property address changes.

 (d) Information sent by VALERI includes acquired properties, changes in capital value, and

returns of custody.

 3. The Financial Management System (FMS). The Office of Finance oversees the day-to-day

VA financial operations, and uses FMS to manage this function.

 (a) Updates nightly.

 (b) Two-way direction.

 (c) Information sent to VALERI includes payment status details, notification of servicer

payment or offset closing out a bill of collection, vendor information update, and all payments

for incentives, claims, and acquisitions.

 (d) Information sent by VALERI includes payment transaction data, and bill of collection

established.

2.03 SERVICER ROLES AND RESPONSIBILITIES

 a. Access to certain functions in VALERI is based on specific roles, and responsibilities for servicers. Employees within a servicing organization are assigned one of the following roles:

 1. Employee (with or without Company Administrator ability).

 2. Administrator (with or without Company Administrator ability).

2.04 SERVICER EVENT REPORTING

 a. Under Title 38 Code of Federal Regulations (CFR), Section 36.4317, servicers must report events to VA to provide updates on the status of their loans. The reporting requirements apply to all VA-guaranteed loans, excluding manufactured homes that are not affixed to a permanent foundation, as defined in 36.4301. All data and events are reported electronically through VALERI.

 b. Servicers report events as they occur, pursuant to regulatory requirements. For example, servicers are required to report the Electronic Default Notification (EDN) to inform VA that a loan is in default when a loan becomes at least 61 days delinquent. VA requires servicers to report data and events in order to monitor its portfolio of active loans and perform oversight of loan servicing activities.

 c. Events reported in VALERI contain at least one or more data elements that provide specific information to VA about the loan. All reporting requirements are discussed in detail throughout this Handbook.

 d. This section describes the following items regarding servicer event reporting:

 1. How servicers report events to VA.

 2. Reporting timeframes.

 3. Event revision and withdrawal.

 4. Late reporting.

 e. Servicers Report Events to VA. If a servicer uses a service bureau that has a direct connection with VA, their service bureau will submit data through a nightly file exchange process which results in the creation of most servicing events in the VALERI application. Otherwise, servicers use the SWP to submit all events individually or through the Bulk upload process directly into the VALERI application. See below for additional information on each reporting method:

1. Automatically through a Service Bureau. Servicers are responsible for entering data into

their servicing system. That data will then be collected and submitted on the servicer’s behalf through the nightly file exchange from the servicer’s service bureau. When submitted through a service bureau, the data cannot be revised or withdrawn after the file has been submitted to VA.

 2. Manually through the SWP. Servicers are responsible for submitting the events directly into the SWP by the event due date. When submitting events through the SWP, servicers have the ability to submit, revise, and/or withdraw events as long as the event has not processed in the VALERI application. There are some events that all servicers must report through the SWP. The following events are described in greater detail throughout this Handbook: Basic Claims, Partial Release of Security, Partial Payment Returned, Invalid Sale Results, Foreclosure Attorney Information, and Improper Transfer of Custody.

 (a) When reporting manually in the SWP, the user is validating that they acknowledge the following:

 (1) User has received the VA training on servicer event administration.

 (2) The event being submitted meets the criteria specified by VA in the training for event administration.

 (3) The information provided in the event submission is accurate to the best of their knowledge, and is substantiated by the accompanying documentation.

 (b) VA monitors the use of the Event Administrator feature, and should only be used in those situations where it is absolutely necessary and not as a substitute for your servicing system. This feature should be limited to administrative users as required by the servicer. Servicer administrators will be required to sign a document confirming that they understand all necessary guidelines.

 (c) If VA determines servicers are misusing their authority to report events through the Event Administration feature on a loan, VA may choose to adjust the guaranty by the amount of any additional loss to the Governmentgovernment.

 (d) Manually through Bulk Upload. Servicers may also use a bulk upload template to report

multiple events at one time through the SWP. The servicer can locate the bulk upload guide and template on the VALERI website at: <http://www.benefits.va.gov/HOMELOANS/servicers_valeri.asp>. Once data is submitted through a bulk upload spreadsheet, the data cannot be revised or withdrawn after the file has been submitted.

 (e) **Note**: All servicers must report any Unauthorized Transfer of Ownership and Extenuating Property Circumstances to VA by telephone, email, fax, or letter, which are described in greater detail in Chapter 3, General Loan Servicing, of this Handbook.

 f. Event Reporting Timeframes. Servicers must report all events according to VA-specified timeframes. Most events will be reported on either a monthly basis, or when the action occurs on the loan.

 1. General Loan Events.

 (a) Monthly Loan Status Update. Submitted automatically via a service bureau or manually

through the SWP. The event must be reported by calendar day seven of every month until the loan becomes 61 or more days delinquent.

 (b) Release of Liability. Submitted automatically via a service bureau or manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer released the obligor from liability.

 (c) Transfer of Ownership. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer learns that an authorized transfer has been completed.

 (d) Unauthorized Transfer of Ownership. Submitted via telephone, e-mail, fax, or letter. The event must be reported by calendar day seven of the month, following the month in which the servicer discovered that the unauthorized transfer of ownership occurred.

 (e) Partial Release of Security. Submitted manually via the SWP. The event must be reported by calendar day seven of the month, following the month in which the holder released the lien on a part of the security for the loan pursuant to 38 CFR 36.4327.

 (f) Loan Paid in Full. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which the loan was paid in full.

 (g) Servicing Transfer (Transferring Servicer). Submitted automatically via a service bureau, or manually through the SWP by the servicer transferring the loan. The event must be reported by calendar day seven of the month, following the month in which servicer sold and transferred the loan.

 (h) Servicing Transfer (Receiving Servicer). Submitted automatically via a service bureau, or manually through the SWP by the servicer boarding the new loan. The event must be reported by calendar day seven of the month, following the month in which the servicer boarded the new loan.

 (i) Contact Information Change. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which the information changed.

 (j) Occupancy Status Change. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which there was a change.

 2. Delinquent Loan Events.

 (a) EDN. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven after the day 61 of delinquency.

 (b) Loss Mitigation Letter Sent. Submitted automatically via a service bureau, or manually

through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer sent the loss mitigation letter to the borrower.

 (c) Delinquency Status. Submitted automatically via a service bureau, or manually through

the SWP. The event must be reported calendar day seven of the month, following the month in which the servicer reported the delinquency to VA, and once per month by day seven until default cures or the loan terminates.

 (d) Default Cured/Loan Reinstated. Submitted automatically via a service bureau, or

manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which the default cures.

 (e) Default Reported to Credit Bureau. Submitted automatically via a service bureau, or

manually through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer reported the default to the credit bureau.

 (f) Partial Payment Returned. Submitted manually via the SWP. The event must be

reported by calendar day seven of the month, following the month in which the servicer returned the partial payment to the borrower.

 (g) Foreclosure Attorney Contact Information. Submitted automatically via a service bureau, or manually through the SWP. Event should be reported by calendar day seven after the day the servicer refers the case to a foreclosure attorney.

 3. Loss Mitigation Events.

 (a) Repayment Plan Approved. Submitted automatically via a service bureau, or manually

through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer approved the repayment plan.

 (b) Special Forbearance Approved. Submitted automatically via a service bureau, or manually

through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer approved the special forbearance agreement.

 (c) Loan Modification Approved. Submitted automatically via a service bureau, or manually

through the SWP. The event must be reported by calendar day seven of the month, following the month in which the servicer approved the loan modification.

 (d) Loan Modification Complete. Submitted automatically via a service bureau or manually

through the SWP. The event must be reported by calendar day seven of the month following the month in which the borrower executed the loan modification agreement.

 (e) Compromise Sale Complete. Submitted automatically via a service bureau, or manually

through the SWP. The event must be reported by calendar day seven of the month, following the month in which the compromise sale closed.

 (f) Deed-in-Lieu (DIL) Complete. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven after the deed is recorded, or sent for recording.

 4. Foreclosure Events.

 (a) Foreclosure Referral. Submitted automatically via a service bureau, or manually through

the SWP. The event must be reported by calendar day seven after the day the servicer refers the case to a foreclosure attorney.

 (b) Foreclosure Sale Scheduled. Submitted automatically via a service bureau, or manually

through the SWP. The event must be reported by calendar day seven after the day that the servicer is notified of the scheduled sale date.

 (c) Results of Sale. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven after the sale.

 (d) Confirmed Sale Date with no Transfer. Submitted automatically via a service bureau, or

manually through the SWP. Event must be reported by calendar day seven of the month following the month the sale is confirmed if the servicer is not transferring custody of the property to VA. The event is only reported in confirmation/ratification of sale states.

 (e) Transfer of Custody. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day 15 from the date of loan termination (for foreclosure and DIL of foreclosure only).

 (f) Invalid Sale Results. Submitted manually through the SWP. The event must be

reported by calendar day seven after the servicer discovered that the foreclosure sale was invalid.

 (g) Improper Transfer of Custody. Submitted manually though the SWP. The event must be reported by calendar day seven after the servicer discovered that the transfer of custody of the property to VA was improper.

 (h) **Note**: The event may NOT be reported unless the acquisition payment has been certified by VA.

 5. Claim Events.

 (a) File a Claim. Submitted manually through the SWP. The event must be submitted

by calendar day 365 after loan termination (non-refund loans), or by calendar day 60 after the loan has been approved for refund (refunded loans).

 (b) File a Supplemental Claim. Submitted manually through the SWP. The event may

only be submitted after the File a Claim event, but before calendar day 365 after loan termination (non-refund loans), and only include items omitted from the File a Claim event. Servicers do not have an option to file a supplemental claim on refunded loans.

 6. Bankruptcy Events.

 (a) Bankruptcy Filed. Submitted automatically via a service bureau, or manually through the SWP. The event must be reported by calendar day seven after the servicer discovers that the obligor has filed for bankruptcy.

 (b) Bankruptcy Update. Submitted automatically via a service bureau, or manually the SWP. The event must be reported by calendar day seven of the month following the significant bankruptcy event that has occurred (relief of stay filed, discharge, dismissal, stay lifted).

 7. Not all events are reported monthly or on the date the action occurred. Servicers report the following events to VA within specified timeframes:

 (a) Revision and Withdrawal. If a servicer reported an event to VA erroneously, they may only revise or withdraw the event if the event was reported directly into the SWP and is still in a pending status. Servicers cannot withdraw or revise any event once the file has been submitted either through a bulk upload spreadsheet, or through a service bureau nightly file.

 (1) If a servicer reported an event erroneously, but the timeframe for revising or withdrawing an event has passed, they must contact the VA technician assigned to the loan. The VA technician will review the file to determine if cancelling the event is the correct action to take in VALERI and document the loan file. If the loan is unassigned, the servicer must contact the Regional Loan Center (RLC) of jurisdiction or the VALERI helpdesk for review and assistance.

 (b) Late Reporting. For every event a servicer submits to VA, VALERI records information

regarding the timeliness of the submission. An event is reported late if the servicer fails to submit the event in accordance with the VA-specified timeframe. Late reporting is a regulatory infraction that may affect a servicer’s performance rating.

2.05 CASE ASSIGNMENT

 a. Cases in default are assigned to a technician, based on a nationwide workload. VALERI will not assign a post-audit review to the same technician that was assigned the loan when it was first reported in default. This section discusses the following functions in VALERI:

 1. Assignment of cases in default.

 2. Assignment of cases for post audit.

 3. Reassignment of cases.

 b. Assignment of Cases in Default. After a servicer reports an EDN, the case is automatically assigned to a VA loan technician. The VA technician is assigned to the case until the following conditions are met:

 1. The loan is reinstated or terminated.

 2. Timeframes for claim filing, system processing, payment certification, and/or appeals have

expired.

 3. If a loan subsequently goes into default after it has reinstated, it will be reassigned to VA technician once the new EDN is reported.

 c. Assignment of Cases for Post Audit. VALERI assigns a loan requiring a post-audit review

to a technician that was not originally assigned to the loan.

2.06 ACCESSING VALERI

 a. VALERI is a web based application which provides technicians and servicers the ability to gain access to VA-guaranteed loan data. Users log on to the website at: <https://www.vbavaleri.com/GSM2.0/LoginForm.aspx>. The following sections describe the applications that are available:

 1. SWP. This application allows servicers access to information and the

ability to report on each loan.

 2. Reports. The Reports application allows servicers access to available servicer reports

within the VALERI application.

2.07 SERVICER WEB PORTAL APPLICATION

 a. The SWP is an application that enables servicers to:

 1. View, filter, search, and sort current or delinquent loans within the servicer’s portfolio.

 2. Review detailed information on a VA-guaranteed loan, including events generated by data submitted by the servicer.

 3. Upload and view documents.

 4. Submit appeals.

 5. File claim and supplemental claims.

 b. The navigation panel on the left hand side of the SWP allows servicers functionality through various links:

 1. Loan Search. Allows servicers to perform a search for loans within their portfolio.

 2. Transfer Loan. Link allows a servicer to transfer a loan from another servicer into their

portfolio.

 3. Exit Portal. Allows the user to exit from the SWP and returns the user back to the application screen.

 4. Logout. Logs a user out of the VALERI application website and back to the login

screen.

 5. Payment History. Displays the payment transactions for the loan. It details information on the transaction type, payment amount, payment date, and payment status.

 c. The SWP Announcements panel displays current and archived notices issued by VA Central Office. Within the SWP, users can view the following information:

 1. The Loan Information screen shows loan information along with all events a servicer reports on the loan. Events are located under the Event Inbox, which shows the business rules and data elements associated with each event submitted by the servicer. For each event, VALERI displays the status, the date that event was reported, and the date the event was processed. Events can be in one of five types of status:

 (a) Pending. This event has yet to be processed.

 (b) Unprocessed. This event was withdrawn or cancelled by the servicer prior to processing.

(c) Accepted. The event was evaluated correctly and does not require further review.

 (d) Accepted with Errors. The event has been accepted, but with at least one failed business

rule that will require further review by a VA technician.

 (e) Rejected. There was at least one fatal business rule failure, which caused VALERI to reject the event.

 d. In addition, servicers can view all withdrawn and cancelled events by clicking on the Show All option.

2.08 REPORTS

 a. Servicer administrators have the ability to access the Reports Link on the Application screen of VALERI for information on all loans within their portfolio. VALERI provides status, updates, and feedback on loans through these reports. Reports that servicers can access include the following:

 1. Acquisition Payment Status Report. This report provides a list of certified acquisition payments, including the date and total amount certified.

 2. Adequacy of Servicing (AOS) Action Report. This report provides a list of loans in which an AOS process has opened within the selected date range.

 3. Appeal Status Report. This report provides a list of the appeals filed, the status of the appeals, the amounts associated with the appeals and the results of VA’s review.

 4. Bill of Collections (BOC) Status and Offsets Report. This report provides a detailed description on all BOC activities, including specific line items, VA decisions, and BOC amounts. The report also summarizes the amounts collected and offsets applied. A BOC may have multiple line items, multiple cash receipt transactions and multiple offset transactions.

 5. Claim Payment Status Report. This report provides a list of all certified claim payments, including the date and the total amount certified. Claims may have multiple credits, advances, and liquidation expenses incurred.

 6. Claims Summary Report. This report provides a summary list of certified claim payment activities. Specifically, the report provides the date VA certified the claim payment, the claim amount, and VALERI’s calculation of total eligible indebtedness.

 7. Incentive Payment Status Report. This report provides a list of certified incentive payment activities. It also provides the date VA certified the incentive payment and the total amount certified. The incentive payments for DIL and compromise sales are reflected in the Claim Payment Status report.

 8. Non Matching Report. This report assists servicers in determining when submitted events have not been generated in VALERI due to non-matching information. The report details the non-matching information that prevented the event from generating. The servicer can use the information provided to correct the data in their system so that future events can be reported. The report applies only to servicers who have direct connections to VA through their service bureau and servicers who submit events to VA using the bulk event upload option.

 9. Payment Denial Report. This report provides a list of payments that were denied by VA, including the payment type, amount, and denial date.

 10. Post Audit Results Report. This report provides details on all certified post audits and lists any adjusted line items, results in payment adjustments, and/or BOC.

 11. Post Audit Selection Detail Report. This report provides a list of all cases selected for post-audit review and specific detailed case information.

 12. Post Audit Selection Report. This report provides a list of all open cases selected for post-audit review.

 13. Pre-Approval Status Report. This report lists the current status of pre-approval requests submitted within a specified date range.

 14. Reconveyance Status Report. This report provides a list of the properties VA reconveyed and includes the date and reason of reconveyance.

 15. Refund Status Report. This report provides details of all levels of VA refund reviews.

 16. Servicer Action Required Report. This report provides a list of loans in which a Review Substantial Equity, Review Early Payment Default or Review Suspicious Loan Modification process has opened during a selected date range.

 17. Servicer Default Resolution Rate Report (DRR). This report provides the percent of defaulted VA‐guaranteed loans that are successfully resolved via a loss mitigation option based on the joint efforts of VA and loan servicers.

 18. Servicer Events Report Log Report. This report provides processing status information on all servicer events received by VALERI and includes dates for reporting and processing, all business rules applied and the results for each event.

 19. Servicer Loan Listing Report. This report provides a list of all loans belonging to the selected servicer, along with key borrower, property, loan, and event details.

 20. Servicer Refund Status. This report provides a list of all VA refund considerations and provides VA’s final determination within a selected date range.

 21. Servicer User Audit Report. This report provides details regarding servicer employee information and access.

 22. VA Contact Information Report. This report provides contact information for the VA technician assigned to each loan in the servicer’s portfolio in which an EDN has been reported.

 b. Servicers have the ability to schedule reports that are needed on a reoccurring basis. For detailed instructions on how to schedule reports, please refer to Scheduling Reports Users Quick Reference Guide on the VALERI Internet at: <http://www.benefits.va.gov/HOMELOANS/servicers_valeri.asp>. All reports can be exported from VALERI. For more information on each of these reports, refer to 2.08 in this chapter.

2.09 POLICIES FOR REQUIREMENT OF PAPER DOCUMENTATION

 One of the goals of the VALERI application is to promote a paperless environment. Servicers must upload all documents in the VALERI application. Documents are managed through the Submit Documents link in the SWP. If circumstances prevent a servicer from uploading documents in the VALERI application, servicers must submit documentation to the VA-assigned technician if the loan is in default. If the loan is not in default, the servicer must submit the documentation to the RLC office of jurisdiction where the property is located. For RLC office of jurisdiction information, refer to Appendix F.

2.10 USER MANAGEMENT

 a. The user management function is performed by each servicer's VALERI Company Administrator(s). Company administrators can manage user profiles and create new profiles for their office. This function is completed by selecting the Users Link on the VALERI toolbar. VA does not create or edit user profiles for services; users must contact their company administrator for assistance. The Servicer User List is available in reports to assist in monitoring employee access. VALERI allows administrators to:

 1. Reset user passwords and have VALERI send a system-generated password to the user by

email.

 2. Creates or modifies a user profile for access to the SWP or Reports.

 3. Change user account information.

 4. VALERI locks a user out of the system if the user attempts to log in using an incorrect password more than five times. When this happens, the company administrator will need to unlock the user’s profile and show the user as an active employee. Employees who have forgotten their password before getting locked out of the application can select the “Forgot Password” link to reset their own password.