

Transmittal of Change 9 to M26-4, Servicer Handbook (04/10/24)

To: Regional Loan Center Personnel and Other Participants in the VA Loan Administration Program

Subject: Transmittal of Change 9 to M26-4, Servicer Handbook

Purpose

Attached are revisions to Chapter 9 of VA M26-4, VA Servicer Handbook and the addition of Appendix F. The updated chapter and appendix will be effective May 31, 2024.

Changes

Chapter 9 of VA Handbook 26-4 was revised to retitle the chapter from “Refunds” to “VA Purchase”.

Section 9.01 was updated with the title of VA Purchase General (formerly Refund Consideration) and the establishment of two types of VA Purchases.

Section 9.02 was updated with the title of Traditional VA Purchase (tVAP) Consideration (formerly Refund Approval) and process updates including initiating a tVAP consideration and general requirements.

Section 9.03 was added to outline the processing of traditional VA Purchase (tVAP) loans including guidance on what VA will pay in a refund, reaching out to the National Practice group and checking for government debt, the timing and necessity of the Purchase Claim and the addition of more details on set up sheets, loan boarding, VA Purchase loan modification details and Title Policy processing.

Section 9.04 was added to outline the VA Servicing Purchase (VASP) submission process, including the servicers review of qualifying loan criteria and VASP eligibility requirements.

Section 9.05 was added to outline VA Servicing (VASP) Terms for VASP submissions.

Section 9.06 was added to outline the terms of VASP with a trial payment plan.

Section 9.07 was added to outline the review and timeframes of the VASP event submission.

Section 9.08 was added to outline the VASP payment process and loan review, including the VASP loan modification process.

Section 9.09 advises where additional information on the VASP post audit process can be found.

Appendix F provides instructions to servicers regarding the VA Home Retention Waterfall.

Additional copies

Additional copies may be downloaded at https://www.benefits.va.gov/WARMS/M26_4.asp.

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