

Appendix B: Loan Guaranty Stacking Orders

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Topic 1: Manual Guaranty Requests

Change Date: May 13, 2024

- This section is new and replaces the manual guaranty stacking order previously published in Chapter 5 Topic 4b.
- VA Form 26-0286, *VA Loan Summary Sheet*, has been removed from the stacking order.
- The stacking order has been updated to include evidence of net tangible benefit (NTB) satisfaction, seasoning, and principal reductions where applicable.

a. Background

The Department of Veterans Affairs (VA) Loan Guaranty Service (LGY) expects lenders to electronically request evidence of guaranty (the Loan Guaranty Certificate (LGC)) through VA's designated electronic loan system (WebLGY or subsequent system). The stacking order provided in section b is to be used in instances where the lender is unable to obtain an electronic LGC, or in cases where VA requests lenders to upload a manual guaranty request.

The file should be uploaded as a single-file Portable Document Format (PDF) into VA's electronic loan system (WebLGY or subsequent system) to the correspondence section of the loan record as a 'Prior Approval Loan Package'. If the file size exceeds VA's limit, it is permissible to split the file, but it should still follow the stacking order.

b. Manual Guaranty Request Stacking Order

Table 1: Manual Guaranty Request Stacking Order

Order	Document
1	Lender's cover or transmittal letter, including the reason for submission, and specific point of contact, email, and phone number.
2	If a loan is submitted more than 60 days after loan closing, a statement signed by a corporate officer of the lender which identifies the loan, provides the specific reasons for late reporting, and certifies that the loan is current. This statement must be submitted with any late request for issuance of an LGC ¹ .
3	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
4	<i>(For Purchase and Cash-Out Refinances Only)</i> Evidence of compliance with Notice of Value requirements such as, final compliance inspection, termite certification, and/or warranty. If an escrow of funds is necessary to complete unfinished repairs, provide the escrow holdback agreement. Once the repairs are complete the lender must provide evidence of completion. Refer to Chapter 9 for additional information on Escrows for Postponed Completion of Improvements.

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¹ 38 CFR § 36.4303(f)

Topic 1: Manual Guaranty Requests, continued

b. Manual Guaranty Request Stacking Order, continued

Table 1: Manual Guaranty Request Stacking Order, continued

Order	Document
5	Uniform Residential Loan Application (URLA) The initial and final application to be provided in the loan file. The final should be fully executed by the borrower(s) at final terms of the loan.
6	<i>(For Cash-out Refinances Only)</i> Evidence of the NTB that was met. NTB Test disclosures, evidence that the lender provided the disclosures to the Veteran within three business days of application and at closing.
7	<i>(For Interest Rate Reduction Refinance Loans (IRRRLs Only)</i> The final disclosure reflecting the NTB and recoupment, and evidence that the lender provided the disclosures to the Veteran within three business days of application and at closing. If applicable, the Veteran's statement may be combined with the lender's certification that the Veteran qualifies for the new monthly payment which exceeds the previous payment by 20% or more.
8	Closing Disclosure Statement ² and credit report invoices.
9	VA Form 26-1820, <i>Report and Certification of Loan Disbursement</i>
10	<i>(For Purchase and Cash-Out Refinances)</i> VA Form 26-6393, <i>Loan Analysis</i>
11	Copies of the fully executed Note and Mortgage/Deed-of-Trust
12	<i>(For IRRRLs and VA to VA Cash-Out Refinances Only)</i> Evidence the loan meets seasoning for example, a ledger balance to show at least six consecutive payments were made.
13	Lenders Loan Quality Certification ³ , signed by an officer of the company
14	Evidence that any principal reductions were applied to the loan, this includes principal reductions for overcharges or those required to cure. Example: recoupment.
15	<i>(For Purchase and Cash-Out Refinances Only)</i> If the loan is joint loan made to two or more Veterans using entitlement, the Veterans' signed statement requesting an uneven split of entitlement, if applicable.
16	Any other documentation requested by VA to issue the LGC.

² 12 C.F.R. § 1024.5

³ 38 C.F.R. § 36.4340(k)

Topic 2: Prior Approval

Change Date: May 13, 2024

- This section is new and replaces the stacking order previously published in Chapter 5 Topic 3.
- VA Form 26-1802a, *HUD/VA Addendum to the URLA*, and VA Form 26-0286, *VA Loan Summary Sheet*, have been removed from the stacking order.
- The stacking orders for requesting prior approval have been updated to include disclosures and evidence of satisfaction of an NTB and seasoning where applicable, and to clarify VA's expectations related to the execution of the URLA.

a. Background

Lenders without authority to close loans on an automatic basis⁴ (commonly referred to as automatic authority) must submit all proposed purchase and cash-out refinance loans to VA for prior approval.

All lenders, regardless of their authority to make VA loans, must also submit certain types of loans to VA for prior approval⁵.

As described in Chapter 5, before submitting a loan to VA for prior approval: the Notice of Value (NOV) must be issued, the loan must be completely underwritten, and active-duty Service members must have received counseling using VA Form 26-0592. The stacking order for requesting prior approval is provided in section b for purchase and cash-out refinance loans and section c for IRRRLs.

The stacking order for reporting a closed prior approval loan is provided in section d.

The files should be uploaded as a single-file PDF into VA's electronic loan system (WebLGY or subsequent system) to the correspondence section of the loan record as a 'Prior Approval Loan Package'. If the file size exceeds VA's limit, it is permissible to split the file, but it should still follow the stacking order.

Additional information on prior approval loans is available in Chapter 5.

b. Prior Approval Request Stacking Order – Pre-close – Purchase/Cash-Out Refinance

This stacking order is used to request prior approval for a purchase or cash-out refinance.

Note that to complete the prior approval request, the lender must also complete the Loan Analysis in WebLGY. Instructions on how to complete the loan analysis are available here:

https://www.benefits.va.gov/HOMELOANS/documents/docs/prior_approval_LP_lenders.pdf

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⁴ 38 CFR § 36.4352

⁵ 38 USC § 3702(d)

Topic 2: Prior Approval, continued

b. Prior Approval Request Stacking Order – Pre-close – Purchase/Cash-Out Refinance, continued

Table 2: Prior Approval Request Stacking Order: Purchase/Cash-Out Refinances

Order	Document
1	Lender's cover or transmittal letter, including the reason for submission, and specific point of contact, email, and phone number.
2	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
3	URLA <ul style="list-style-type: none"> Initial - fully executed by all borrower(s). Final – proposed at final terms of the loan (does not need to be signed).
4	(<i>For Purchase Only</i>) Purchase Agreement including all contract addendums and the signed VA Escape Clause ⁶ .
5	VA Form 26-8497, <i>Request for Verification of Employment</i> , and all other verifications of income such as pay stubs and tax returns. Any income documentation obtained during processing should be provided in the loan file.
6	Credit Alert Verification Report System (CAIVRS): borrower/co-borrower
7	All credit reports obtained in connection with the loan and any related documentation, such as, explanations for adverse credit if required.
8	VA Form 26-8497a, <i>Request for Verification of Deposit</i> , and other related asset documents such as gift letters (Alternative documentation: Original or certified true copies of last two bank statements)
9	VA Form 26-6393, <i>Loan Analysis</i> , including any necessary explanations regarding the underwriter's determination of creditworthiness. Note: As loans should be completely underwritten before submission to VA, this form should be completed and signed by the underwriter at the final terms of the loan.
10	VA Form 26-0592, <i>Counseling Checklist for Military Homebuyers</i> ⁷ , if the Veteran is on active duty.
11	All Loan Estimates(s)
12	Documentation of the cost of energy efficiency improvements to be included in the loan (<i>if applicable</i>).
13	(<i>For Cash-out Refinances Only</i>) if the loan being refinanced is a VA loan originated less than 12 months from the date of closing, a ledger balance or servicing statement to show at least six consecutive payments were made ⁸ .

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⁶ 38 CFR § 36.4303(k)(4)

⁷ 38 C.F.R. 36.4340(f)(2)(iii)

⁸ 38 CFR §§ 36.4306(b)-(c)

Topic 2: Prior Approval, continued

b. Prior Approval Request Stacking Order – Pre-close – Purchase/Cash-Out Refinance, continued

Table 2: Prior Approval Request Stacking Order: Purchase/Cash-Out Refinances, continued

Order	Document
14	<i>(For Cash-out Refinances Only)</i> NTB disclosures, evidence that the lender provided the disclosures to the Veteran within three business days of application.
15	<i>(For Cash-Out out Refinances Only)</i> Evidence of the NTB that will be met. For example, if the NTB is an interest rate reduction, the most recent mortgage statement or other document to show the current rate should be provided.
16	Other necessary documents (for example – but not limited to, Adjustable Rate Mortgage/Hybrid Adjustable Rate Mortgage disclosure, Power of Attorney and Alive and Well statement if used, Buydown Agreement, Lenders Loan Quality Certification, Escrow Agreement)

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Topic 2: Prior Approval, continued

c. Prior Approval Request Stacking Order – Pre-close – IRRRLs

This stacking order is used to request prior approval for an IRRRL.

Table 3: Prior Approval Request Stacking Order: IRRRL

Order	Document
1	Lender's cover or transmittal letter, including the reason for submission, and specific point of contact, email, and phone number.
2	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
3	Uniform Residential Loan Application (URLA) <ul style="list-style-type: none"> • Initial - fully executed by all borrower(s). • Final – proposed at final terms of the loan (does not need to be signed).
4	The initial disclosures reflecting the Net Tangible Benefit (NTB) and recoupment, and evidence that the lender provided the disclosure to the Veteran within three business days of application.
5	VA Form 26-8923, <i>Interest Rate Reduction Refinancing Loan Worksheet</i>
6	CAIVRS: borrower/co-borrower
7	VA Form 26-0592, <i>Counseling Checklist for Military Homebuyers</i> ⁹ , if the - Veteran is on active duty.
8	Documentation to verify that the cause of the delinquency has been corrected.
9	All credit reports obtained in connection with the loan and any related documentation such as explanations for adverse credit if required.
10	Loan Payoff Statement.
11	Copy of the modification agreement if the loan to be paid off is a modified loan.
12	Evidence the loan meets seasoning for example, a ledger balance to show at least six consecutive payments were made.
13	Evidence of the obligors on the loan being refinanced (Example: copy of the mortgage/note for existing loan).
14	A copy of the most recent mortgage statement. The statement should be reflective of the current terms of the loan (i.e. interest rate and current payment amount).
15	All Loan Estimates
16	Documentation of the cost of energy efficiency improvements to be included in the loan (<i>if applicable</i>).
17	Other necessary documents (for example – but not limited to, Adjustable Rate Mortgage/Hybrid Adjustable Rate Mortgage disclosure, Power of Attorney and Alive and Well statement if used, Buydown Agreement, Escrow Agreement)

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⁹ 38 C.F.R. 36.4340(f)(2)(iii)

Topic 2: Prior Approval, continued

d. Prior Approval Guaranty Reporting Stacking Order – Post-close

This stacking order is used to report the closing of a prior approval loan and request issuance of the LGC.

Table 4: Prior Approval Closing Stacking Order

Order	Document
1	Lender's cover or transmittal letter, including a specific point of contact with email and phone number.
2	If a loan is submitted more than 60 days after loan closing, a statement signed by a corporate officer of the lender which identifies the loan, provides the specific reasons for late reporting, and certifies that the loan is current. This statement must be submitted with any late request for issuance of a LGC ¹⁰ .
3	<i>(For Purchase and Cash-Out Refinances Only)</i> Evidence of compliance with Notice of Value requirements, such as, final compliance inspection. If an escrow of funds is necessary to complete unfinished repairs, provide the escrow holdback agreement. Once the repairs are complete the lender must provide evidence of completion. Refer to Chapter 9 for additional information.
4	URLA Fully executed by the borrower(s) at final terms of the loan.
5	Closing Disclosure Statement ¹¹ and credit report invoices.
6	VA Form 26-1820, <i>Report and Certification of Loan Disbursement</i>
7	Copies of the fully executed Note and Mortgage/Deed-of-Trust
8	Lenders Loan Quality Certification ¹² , signed by an officer of the company
9	Evidence that any principal reductions were applied to the loan, this includes principal reductions for overcharges or those required to cure.
10	<i>(For Cash-Out Refinance Only)</i> NTB disclosures, evidence that the lender provided the disclosures to the Veteran within three business days of closing.
11	<i>(For IRRRLs Only)</i> The final disclosure reflecting the NTB and recoupment, and evidence that the lender provided the disclosures to the Veteran within three business days of application and at closing. If applicable, the Veteran's statement may be combined with the lender's certification that the Veteran qualifies for the new monthly payment which exceeds the previous payment by 20% or more.
12	Other necessary documents (for example – but not limited to, Power of Attorney and Alive and Well, if used, and any documentation necessary to satisfy all conditions listed on the commitment)

¹⁰ 38 CFR § 36.4303(f)

¹¹ 12 C.F.R. § 1024.5

¹² 38 C.F.R. § 36.4340(k)

Topic 3: Full File Loan Review: Purchase/Cash-Out Refinances

Change Date: May 13, 2024

- This section is new and replaces the stacking order previously published in Chapter 5 Topic 4 and the stacking order previously published in VA Circular 26-22-16 Exhibit A. Circular 26-22-16 is rescinded as of the effective date of this stacking order.
- The stacking order has been updated to provide additional clarity regarding the signature requirements on the URLA.
- The late reporting requirement has been moved up to item 2 in the stacking order.

a. Background

VA requires lenders to maintain loan origination records and make them available to VA for oversight and audit purposes¹³. When VA selects a loan for Full File Loan Review (FFLR), lenders are to provide the complete loan file to VA within 15 calendar days of VA's request. A stacking order is provided in section b for FFLR of purchase and cash-out refinance transactions.

The loan origination file should be uploaded as a single-file Portable Document Format (PDF) into VA's electronic loan system (WebLGY or subsequent system). If the file size exceeds VA's limit, it is permissible to split the file, but it should still follow the stacking order.

The Uniform Loan Application Dataset (ULAD) and Uniform Closing Dataset (UCD) are to be uploaded as separate files, in ".xml" format only. Lenders should refer to VA's Technology Knowledge Center <https://www.benefits.va.gov/HOMELOANS/technology-knowledge-center.asp> for UCD and ULAD dataset technical specifications.

- The ULAD should be uploaded under Document Association: Loan Review, Correspondence Type: Document Received, Document Type: ULAD xml.
- The UCD should be uploaded under Document Association: Loan Review, Correspondence Type: Document Received, Document Type: UCD xml.

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¹³ 38 CFR § 36.4333

Topic 3: Full File Loan Review: Purchase/Cash-Out Refinances, continued

b. FFLR Stacking Order: Purchase/Cash-Out Refinances

Table 5: FFLR Stacking Order: Purchase/Cash-Out Refinances

Order	Document
1	Lender's cover or transmittal letter (if used).
2	If a loan is submitted more than 60 days after loan closing, a statement signed by a corporate officer of the lender which identifies the loan, provides the specific reasons for late reporting, and certifies that the loan is current. This statement must be submitted with any late request for issuance of an LGC ¹⁴ .
3	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
4	(<i>For Cash-Out Refinances Only</i>) NTB disclosures, evidence that the lender provided the disclosures to the Veteran within three business days of application and at closing
5	Evidence of compliance with NOV requirements, such as, final compliance inspection, termite certification, and/or warranty. If an escrow of funds is necessary to complete unfinished repairs, provide the escrow holdback agreement or VA Form 26-1849, <i>Escrow Agreement for Postponed Exterior Onsite Improvements</i> . Once the repairs are complete the lender must provide evidence of completion (ex: VA Form 26-1839, <i>Compliance Inspection Report</i>). Refer to Chapter 9 for additional information on Escrows for Postponed Completion of Improvements.
6	URLA The initial and final application to be provided in the loan file. The final should be fully executed by the borrower(s) at final terms of the loan.
7	(<i>For Purchase Only</i>) Purchase Agreement including all contract addendums and the signed VA Escape Clause ¹⁵ .
8	Closing Disclosure Statement ¹⁶
9	VA Form 26-8497, <i>Request for Verification of Employment</i> , and all other verifications of income such as pay stubs and tax returns. Any income documentation obtained during processing should be provided in the loan file.
10	CAIVRS: borrower/co-borrower
11	All credit reports obtained in connection with the loan and any related documentation such as explanations for adverse credit if required and credit report invoices.

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¹⁴ 38 CFR § 36.4303(f)

¹⁵ 38 CFR § 36.4303(k)(4)

¹⁶ 12 C.F.R. § 1024.5

Topic 3: Full File Loan Review: Purchase/Cash-Out Refinances, continued

b. FFLR Stacking Order: Purchase/Cash-Out Refinances

Table 5: FFLR Stacking Order: Purchase/Cash-Out Refinances, continued

Order	Document
12	VA Form 26-8497a, <i>Request for Verification of Deposit</i> , and other related asset documents (Alternative documentation: Original or certified true copies of last two bank statements)
13	For Automated Underwriting cases: Feedback Certificate and underwriter's certification
14	VA Form 26-1820, <i>Report and Certification of Loan Disbursement</i>
15	VA Form 26-6393, <i>Loan Analysis</i> , including any necessary explanations regarding the underwriter's determination of creditworthiness.
16	VA Form 26-0592, <i>Counseling Checklist for Military Homebuyers</i> ¹⁷ , if the Veteran is on active duty.
17	All Loan Estimates
18	Copies of the fully executed Note and Mortgage/Deed-of-Trust
19	(<i>For Cash-Out Refinances Only</i>) For Cash-Out Refinances only: if the loan being refinanced is a VA loan originated is less than 12 months from the date of closing, a ledger balance or servicing statement to show at least six consecutive payments were made ¹⁸ .
20	Evidence that any principal reductions were applied to the loan, this includes principal reductions for overcharges or those required to cure. Example: recoupment.
21	(<i>For Cash-Out Refinances Only</i>) For Cash-Out Refinances Only: Evidence of the NTB that was met. For example, NTB is an interest rate reduction, so the most recent mortgage statement or other document to show the current rate should be provided.
22	Other necessary documents (for example – but not limited to, Adjustable Rate Mortgage/Hybrid Adjustable Rate Mortgage disclosure, Power of Attorney and Alive and Well statement if used, Buydown Agreement, Lenders Loan Quality Certification, Escrow Agreement for postponed completion of improvements, Partial Claim Satisfaction)
23	ULAD – uploaded as a separate document type. Lenders may only upload as an “.xml” file.
24	UCD – uploaded as a separate document type. Lenders may only upload as an “.xml” file.

¹⁷ 38 C.F.R. 36.4340(f)(2)(iii)

¹⁸ 38 CFR §§ 36.4306(b)-(c)

Topic 4: Full File Loan Review: IRRRL

Change Date: May 13, 2024

- This section is new and replaces the stacking order previously published in Chapter 5 Topic 4 and the stacking order previously published in VA Circular 26-22-16 Exhibit B. Circular 26-22-16 is rescinded as of the effective date of this stacking order.
- The stacking order has been updated to provide additional clarity regarding the signature requirements on the URLA.
- The late reporting requirement has been moved up to item 2 in the stacking order.

a. Background

VA requires lenders to maintain loan origination records and make them available to VA for oversight and audit purposes¹⁹. When VA selects a loan for FFLR, lenders are to provide the complete loan file to VA within 15 calendar days of VA's request. A stacking order is provided in section b for FFLR of IRRRLs.

The loan origination file should be uploaded as a single-file PDF into VA's electronic loan system (WebLGY or subsequent system)²⁰. If the file size exceeds VA's limit, it is permissible to split the file, but it should still follow the stacking order.

The Uniform Loan Application Dataset (ULAD) and Uniform Closing Dataset (UCD) are to be uploaded as separate files, in ".xml" format only. Lenders should refer to VA's Technology Knowledge Center <https://www.benefits.va.gov/HOMELOANS/technology-knowledge-center.asp> for UCD and ULAD dataset technical specifications.

- The ULAD should be uploaded under Document Association: Loan Review, Correspondence Type: Document Received, Document Type: ULAD xml.
- The UCD should be uploaded under Document Association: Loan Review, Correspondence Type: Document Received, Document Type: UCD xml.

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¹⁹ 38 CFR § 36.4333

²⁰ Id. (Note: if the loan file exceeds WebLGY's size limits, the file may be split).

Topic 3: Full File Loan Review: Purchase/Cash-Out Refinances, continued

b. FFLR Stacking Order: IRRRL

Table 6: FFLR Stacking Order: IRRRLs

Order	Document
1	Lender's cover or transmittal letter (if used).
2	If a loan is submitted more than 60 days after loan closing, a statement signed by a corporate officer of the lender which identifies the loan, provides the specific reasons for late reporting, and certifies that the loan is current. This statement must be submitted with any late request for issuance of an LGC ²¹ .
3	Closing Disclosure Statement ²²
4	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
5	VA Form 26-1820, <i>Report and Certification of Loan Disbursement</i>
6	The initial and final disclosures reflecting the NTB and recoupment, and evidence that the lender provided the disclosures to the Veteran within three business days of application and at closing. If applicable, the Veteran's statement may be combined with the lender's certification that the Veteran qualifies for the new monthly payment which exceeds the previous payment by 20% or more.
7	VA Form 26-8923, <i>Interest Rate Reduction Refinancing Loan Worksheet</i>
8	Lender's Loan Quality Certification ²³ , signed by an officer of the company.
9	Lender's certification that the prior loan was current (not 30 or more days past due) at the time of loan closing.
10	CAIVRS: borrower/co-borrower
11	URLA The initial and final application to be provided in the loan file. The final should be fully executed by the borrower(s) at final terms of the loan.
12	VA Form 26-0592, <i>Counseling Checklist for Military Homebuyers</i> ²⁴ , if the Veteran is on active duty.

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²¹ 38 CFR § 36.4303(f)

²² 12 C.F.R. § 1024.5

²³ 38 C.F.R. § 36.4340(k)

²⁴ 38 C.F.R. 36.4340(f)(2)(iii)

Topic 3: Full File Loan Review: Purchase/Cash-Out Refinances, continued

b. FFLR Stacking Order: IRRRL, continued

Table 6: FFLR Stacking Order: IRRRLs, continued

Order	Document
13	All Loan Estimates
14	Documentation of the cost of energy efficiency improvements included in the loan. For cash reimbursements to the Veteran, the improvements must have been completed within the 90 days immediately preceding the date of the loan. ²⁵
15	Evidence the loan meets seasoning for example, a ledger balance to show at least six consecutive payments were made.
16	Copies of the fully executed Note and Mortgage/Deed-of-Trust
17	Evidence that any principal reductions were applied to the loan, this includes principal reductions for overcharges or those required to cure. Example: recoupment.
18	A copy of the most recent mortgage statement. The statement should be reflective of the current terms of the loan (i.e. interest rate and current payment amount).
19	Other necessary documents (for example – but not limited to, Adjustable Rate Mortgage/Hybrid Adjustable Rate Mortgage disclosure, Power of Attorney and Alive and Well statement if used, Buydown Agreement, Partial Claim Satisfaction)
20	ULAD – uploaded as a separate document type. Lenders may only upload as an “.xml” file.
21	UCD – uploaded as a separate document type. Lenders may only upload as an “.xml” file.

²⁵ VA Lenders Handbook Pamphlet 26-7, Chapter 7 Section 3.

Topic 5: Assumptions: Holder/Servicer Processed

Change Date: May 13, 2024

- This section is new and replaces the stacking order previously published in Chapter 5 and the stacking order previously published in VA Circular 26-23-10 Exhibit A.
- The stacking order has been updated to make minor grammatical and clarifying changes.

a. Background

Loan holders or servicers with automatic authority must:

- Remit the funding fee to VA, or if the assumer is eligible for a fee waiver²⁶ enter an exempt assumption record in VA's Funding Fee Payment System (FFPS) within 15 calendar days of loan closing²⁷; and
- Complete all necessary VALERI reporting as described in VA Servicer Handbook 26-4 Chapter 3.04; and
- Submit the credit package and a copy of the executed deed and/or assumption agreement to VA²⁸ within 45 calendar days of loan closing. A stacking order is provided in section b. The file should be uploaded as a PDF into the VA Loan Electronic Reporting Interface (VALERI) under Documents, as Document Type: 'Release of Liability'.

Additional information is available in Chapter 5 of VA Lenders Handbook M26-7.

b. Assumption Stacking Order: Holder/Servicer Processed Assumptions

Table 7: Holder/Servicer Processed Assumptions

Order	Document
1	Servicer or holder cover letter with specific point of contact, email address and phone number.
2	VA Funding Fee Receipt (screenshot from FFPS is acceptable)
3	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
4	[<i>If Substitution of Entitlement</i>] VA Form 26-8106
5	[<i>If Substitution of Entitlement</i>] VA Form 26-1880 for seller and purchasing Veteran
6	Evidence the assumed loan was current at the time of transfer
7	Quit Claim Deed or other recorded document with transfer of ownership with VA clause, or if not included, signed assumption agreement by all parties (seller, assumer, servicer/holder)
8	Original note and all riders.

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²⁶ 38 USC § 3729(c)

²⁷ 38 C.F.R. § 36.4313(e)(2)

²⁸ 38 C.F.16R. § 36.4303(l)(1)(A)

Topic 5: Assumptions: Holder/Servicer Processed, continued

b. Assumption Stacking Order: Holder/Servicer Processed Assumptions, continued

Table 7: Holder/Servicer Processed Assumptions, continued

Order	Document
9	Agreement creating liability to holder and VA (fully executed), if not executed as part of the quit claim deed or recorded transfer of ownership document in item 7
10	Assignment of Escrow (if applicable)
11	Purchase/Assumption Contract or Divorce Decree
12	URLA The initial and final application to be provided in the loan file. The final should be fully executed by the borrower(s) at final terms of the loan.
13	Closing Disclosure Statement ²⁹ or ALTA statement if an investment transaction only
14	All Loan Estimates
15	VA Form 26-8497, <i>Request for Verification of Employment</i> , and all other verifications of income such as pay stubs and tax returns. Any income documentation obtained during processing should be provided in the loan file.
16	CAIVRS: assumer and all co-assumers
17	All credit reports obtained in connection with the loan and any related documentation such as explanations for adverse credit if required and credit report invoices
18	VA Form 26-8497a, <i>Request for Verification of Deposit</i> , and other related asset documents (Alternative documentation: Original or certified true copies of last two bank statements)
19	For Automated Underwriting cases: Feedback Certificate and underwriter's certification
20	VA Form 26-6393, <i>Loan Analysis</i> , including any necessary explanations regarding the underwriter's determination of creditworthiness.
21	VA Form 26-0592, <i>Counseling Checklist for Military Homebuyers</i> ³⁰ , if the assumer is on active duty.
22	VA Form 26-6381 (Sellers Document)
23	VA Form 26-6382 (Buyers Document)
24	Other necessary documents (for example – but not limited to, Adjustable Rate Mortgage/Hybrid Adjustable Rate Mortgage disclosure, power of attorney if used, lenders loan quality certification)

²⁹ 12 C.F.R. § 1024.5

³⁰ 38 C.F.R. 36.4340(f)(2)(iii)

Topic 6: Assumptions: Appeals and Prior Approval

Change Date: May 13, 2024

- This section is new and replaces the stacking order previously published in Chapter 5 Topic 6 and the stacking order previously published in VA Circular 26-23-10 Exhibit B.
- The stacking order has been updated to make minor grammatical and clarifying changes.

a. Background

Loan holders or servicers without automatic authority must submit assumption applications to VA for prior approval within 35 calendar days³¹ of receipt of a complete assumption package. A stacking order for submission is provided in section b.

Additionally, if holder, or its authorized servicing agent, disapproves an assumption application, the seller or buyer may appeal the decision to VA³² within 30 calendar days of the holder or servicer's decision. If an appeal is requested, the holder or servicer should upload the documents listed on the stacking order in section b within 7 calendar days of receipt of a request from the seller, buyer, or VA.

If VA approves the prior approval or appealed assumption, the holder, or its authorized servicing agent must: report the closing by uploading the documentation listed in section c.

- Remit the funding fee to VA, or if the assumer is eligible for a fee waiver³³ enter an exempt assumption record in VA's FFPS within 15 calendar days of loan closing³⁴; and
- Complete all necessary VALERI reporting as described in VA Servicer Handbook 26-4 Chapter 3.04; and
- Submit the closing package and a copy of the executed deed and/or assumption agreement to VA³⁵ within 45 calendar days of loan closing. A stacking order is provided in section c.

In all cases, the file should be uploaded as a PDF into VALERI under Documents, as Document Type: 'Release of Liability'.

Additional information is available in Chapter 5 of VA Lenders Handbook M26-7.

b. Assumption Stacking Order: Appeals and Prior Approval Requests

This stacking order is used for appeals and for requesting prior approval for an assumption.

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³¹ 38 CFR § 36.4303(l)(1)(ii)(D)

³² 38 USC § 3714(a)(4)

³³ 38 USC § 3729(c)

³⁴ 38 C.F.R. § 36.4313(e)(2)

³⁵ 38 C.F.16R. § 36.4303(l)(1)(A)

Topic 6: Assumptions: Appeals and Prior Approval, continued

b. Assumption Stacking Order: Appeals and Prior Approval Requests, continued

Table 8: Assumption Appeals and Prior Approval Requests

Order	Document
1	Cover letter with holder and servicer names and VA identification (ID) numbers, a specific point of contact, email address, and phone number
2	Evidence the loan is current or will be brought current through the assumption
3	Original note and all riders
4	Purchase/Assumption Contract or Divorce Decree
5	VA Form 26-8937, <i>Verification of VA Benefits</i> (if applicable)
6	URLA The initial and final application to be provided in the loan file. The final should be fully executed by the borrower(s) at final terms of the loan.
7	All Loan Estimates
8	VA Form 26-8497, <i>Request for Verification of Employment</i> , and all other verifications of income such as pay stubs and tax returns. Any income documentation obtained during processing should be provided in the loan file.
9	CAIVRS: assumer and all co-assumers
10	All credit reports obtained in connection with the loan and any related documentation such as explanations for adverse credit if required and credit report invoices
11	VA Form 26-8497a, <i>Request for Verification of Deposit</i> , and other related asset documents (Alternative documentation: Original or certified true copies of last two bank statements)
12	For Automated Underwriting cases: Feedback Certificate and underwriter's certification
13	VA Form 26-6393, <i>Loan Analysis</i> , including any necessary explanations regarding the underwriter's determination of creditworthiness.
14	VA Form 26-0592, <i>Counseling Checklist for Military Homebuyers</i> ³⁶ , if the assumer is on active duty.

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³⁶ 38 C.F.R. 36.4340(f)(2)(iii)

Topic 6: Assumptions: Appeals and Prior Approval, continued

b. Assumption Stacking Order: Appeals and Prior Approval Requests, continued

Table 8: Assumption Appeals and Prior Approval Requests, continued

Order	Document
15	VA Form 26-6381 (Sellers Document)
16	VA Form 26-6382 (Buyers Document)
17	<i>[If Substitution of Entitlement]</i> VA Form 26-8106
18	<i>[If Substitution of Entitlement]</i> VA Form 26-1880 for selling and purchasing Veterans
19	<i>[Appeals only]</i> Notice of Adverse Action for disapproval, including evidence that the assumer and seller were provided with the required disapproval notifications
20	Other necessary documents (for example – but not limited to, Adjustable Rate Mortgage/Hybrid Adjustable Rate Mortgage disclosure, power of attorney if used, lenders loan quality certification)

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Topic 6: Assumptions: Appeals and Prior Approval, continued

c. Assumption Stacking Order: Appeals and Prior Approval Closing Package

This stacking order is used to report the closing of an assumption after an appeal or prior approval.

Table 9: Assumption Appeals and Prior Approval Closing Package

Order	Document
1	Quit claim Deed or other recorded document with transfer of ownership with VA clause, or if not included, signed assumption agreement by all parties (seller, assumer, servicer/holder)
2	VA Funding Fee Receipt (screenshot from FFPS is acceptable)
3	Closing Disclosure Statement ³⁷ or ALTA statement if an investment transaction
4	Agreement creating liability to holder and VA (fully executed), if not executed as part of the quit claim deed or recorded transfer of ownership document in item 7
5	Assignment of Escrow (if applicable)

³⁷ 12 C.F.R. § 1024.5