

VALERI Servicer Newsflash

October 5, 2016

REMINDER

Department of Veterans Affairs (VA) No Bid – VA does not issue No Amount Specified Bids, more commonly known as a VA “No-Bids”, on pending terminations.

A regulatory change was completed in January 2008, regarding Title 38 CFR Part 36, Subpart B - Loan Guaranty §36.4323 regulation. Changes in the regulation resulted in VA allowing only two bid types, Net Value Bid and Total Debt Bid. Prior to this change, when VA issued a “No-Bid”, servicers were prohibited from conveying the property to VA following a completed termination action.

VA allows servicers the option to convey property to VA on loans that have been terminated through foreclosure or deed-in-lieu. The option to convey reduces additional mortgage industry expenses associated with missed foreclosure sales, maintenance, and marketing of properties that could not be conveyed.

For additional information, please refer to VA Regulations §36.4322, §36.4323 and M26-4, Servicer Handbook. Both can be viewed at http://www.benefits.va.gov/HOMELOANS/servicers_valeri.asp.