

Special Relief for those Potentially Impacted by COVID-19

1. Purpose. The Department of Veterans Affairs (VA) is working with other federal partners to assess next steps in response to recent reports of cases of Coronavirus Disease 2019 (COVID-19) in the United States. To keep Veterans and stakeholders safe while continuing the mission of VA Home Loan Program, VA is providing the following information. Please note, VA is continuing with normal program operations and information will be shared as updates are made available regarding the VA Home Loan program.

2. Veterans. If you have an in-person appointment scheduled with your lender, servicer, appraiser, or VA staff and answer “yes” to any of the following questions, please call the point of contact before your scheduled appointment.

- a. Are you having flu-like symptoms, such as fever, cough, or shortness of breath?
- b. In the last 14 days, have you traveled to a high-risk area for transmission of COVID-19?
- c. Have you been in close contact with someone confirmed to have COVID-19 or who is being evaluated for COVID-19?

In lieu of conducting a face-to-face meeting, VA will make every effort to conduct meetings by telephone. However, VA may have to postpone the meeting or Veterans may request to have a meeting postponed based on circumstances.

3. Lenders and Servicers. Lenders should have continuity of operation plans in place to support ongoing ability to conduct business operations in the event of an interruption to business operations and processes. Servicers may employ the following relief for Veterans impacted by COVID-19:

- a. Forbearance Request. VA encourages holders of guaranteed loans to extend forbearance to borrowers in distress as a result of COVID-19. We understand the impact may be temporary, but it is still a hardship. Servicers should work with impacted borrowers who are unable to make their mortgage payments to ensure they are evaluated for VA Loss Mitigation options outlined in Chapter 5 of the VA Servicer Handbook M26-4, https://www.benefits.va.gov/WARMS/M26_4.asp. VA encourages the proper use of authorities granted in VA regulations to provide assistance in appropriate cases. For example, Title 38, Code of Federal Regulations (CFR), section 36.4311 allows the reapplication of prepayments to cure or prevent a default. Also, 38 CFR 36.4315 allows the terms of any guaranteed loan to be modified without the prior approval of VA, provided conditions in the regulation are satisfied.

- b. Late Charge Waivers. VA believes that many servicers plan to waive late charges on affected loans and encourages all servicers to adopt such a policy for any loans that may have been affected.
- c. Credit and VA Reporting. In order to avoid damaging credit records of Veteran borrowers, servicers are encouraged to suspend credit bureau reporting on affected loans. Please contact the appropriate Regional Loan Center (RLC) with any questions.

4. Appraisers. Appraisers should continue to conduct business as outlined in Chapter 10 of the M26-7, Lender's Handbook, https://www.benefits.va.gov/WARMS/pam26_7.asp. If you have an appointment scheduled and answer "yes" to any of the following questions, please contact the RLC of jurisdiction or the point of contact for the scheduled appointment to determine whether the appointment needs to be rescheduled or whether the assignment should be reassigned.

- a. Are you having flu-like symptoms, such as fever, cough, or shortness of breath?
- b. In the last 14 days, have you traveled to a high-risk area for transmission of COVID-19?
- c. Have you been in close contact with someone confirmed to have COVID-19 or who is being evaluated for COVID-19?

The Centers for Disease Control and Prevention has advised the best way to prevent illness is to take preventative measures. When onsite, appraisers are encouraged to observe the following measures to help prevent the spread of respiratory diseases including the novel COVID-19:

- a. Before and after exiting the home, use an alcohol-based hand sanitizer with at least 60 percent alcohol.
- b. Avoid close contact with individuals who may be present in the home which includes no handshakes or fist bumps.
- c. Avoid touching your eyes, nose, and mouth.
- d. Cover your cough or sneeze with a tissue, then throw the tissue in the trash and immediately clean your hands with a hand sanitizer that contains at least 60 percent alcohol.

Please contact the RLC of jurisdiction if you have been impacted by COVID-19 and are unable to complete your appraisal assignments. The email addresses for each of the RLCs are available at:

https://www.benefits.va.gov/HOMELOANS/contact_rlc_info.asp.

5. Rescission: This Circular is rescinded April 1, 2021.

By Direction of the Under Secretary for Benefits

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Director
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