

## ELIMINATION OF THE PRIOR LOAN VALIDATION REQUIREMENT

1. Purpose. This circular announces that a Prior Loan Validation (PLV) is no longer required on Department of Veterans Affairs (VA) Interest Rate Reduction Refinance Loans (IRRRLs).

2. Discussion

a. PLV Background. The PLV provided entitlement verification to lenders and VA for Veterans seeking to obtain an IRRRL. As such, the PLV served the same purpose on IRRRLs as the Certificate of Eligibility serves on purchase transactions. Prior to the loan originating functions of The Appraisal System (TAS) being transferred to WebLGY, the PLV was the primary means of substantiating entitlement for IRRRL cases. As WebLGY automatically determines whether or not an active VA loan exists in the system, obtaining a PLV on each case is no longer required.

b. PLV Availability. Although a PLV is no longer required, the ability to obtain a PLV in WebLGY still exists. To satisfy internal and/or investor requirements, lenders still have the option of obtaining a PLV even when WebLGY automatically determines an active loan exists for a particular IRRRL case.

3. Effective Date. This change is effective immediately.

4. Rescission: This circular is rescinded July 1, 2013.

By Direction of the Under Secretary for Benefits

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