

**Veterans Benefits Administration  
Department of Veterans Affairs  
Washington, D.C. 20420**

**VA Manual 26-4, Revised  
Change 7  
February 1, 2018**

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

**Subject: Transmittal of Change 7 to M26-4, Servicer Handbook**

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**Purpose**

Attached are revisions to Chapters 2, 4, 5, 7, 8, 14, 15, 18, 21 and Appendix B, E, G, and H of VA M26-4, Servicer Handbook.

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**Changes**

Chapter 2 of VA Manual 26-4 was revised to correct the bankruptcy reporting timeframe, and update the chapter title.

Chapter 4 of VA Manual 26-4 was revised to add the definition of delinquency.

Chapter 5 of VA Manual 26-4 was revised to provide clarification on current program policy regarding household income, and to add information on the new VA Affordable Modification.

Chapter 7 of VA Manual 26-4 was revised to provide clarification on current program policy regarding payment of incentives at any time prior to loan termination or paid in full.

Chapter 8 of VA Manual 26-4 was revised to correct a typo in section 8.07.

Chapter 14 of VA Manual 26-4 was revised to update the information for utility advances.

Chapter 15 of VA Manual 26-4 was revised to update the documents required for post-audit review.

Chapter 18 of VA Manual 26-4 was revised to provide clarification on when it is determined that the servicer failed to order an appraisal timely.

Chapter 21 of VA Manual 26-4 was revised to provide clarification/inclusion for the consideration of the National Guard who may become active during recovery efforts during a disaster, to provide clarification on reporting the EDN when there is damage to a property, and to provide conveyance guidance for damaged properties.

Appendix B of VA Manual 26-4 was revised to update the glossary to include the definition of reinstatement.

Appendix E of VA Manual 26-4 was revised to provide the updated website for Texas Veteran Land Board.

Appendix G of VA Manual 26-4 was revised to provide updated information regarding redemption changes in the States of Montana, Utah, and North Dakota.

Appendix H of VA Manual 26-4 was updated to remove the waste management receipt requirement for hazardous debris removal.

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**Additional  
Copies**

Additional copies may be downloaded at  
<http://www.benefits.va.gov/warms/topic-homeloans.asp>.

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**Rescissions**

The following Circular has been incorporated into this revision, and is rescinded: Circular 26-17-10, Department of Veterans Affairs Affordable Modification.

Jeffrey F. London  
Director, Loan Guaranty Service