



**DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington DC 20420**

The Department of Veterans Affairs (VA) recently completed a comprehensive change to its Loan Guaranty Program, where we redesigned virtually all of our loan servicing regulations, processes, and reporting requirements. These changes are being implemented through a new servicing system, called the VA Loan Electronic Reporting Interface (VALERI). The new regulations became effective on February 1, 2008, and are being phased in over a ten-month period as the mortgage servicing industry is transitioned to VALERI.

All companies that service VA guaranteed loans will be transitioned to VALERI and will be subject to the new regulations by November 2008. If you service any VA loans, please review the information on the VALERI website at <http://homeloans.va.gov/valeri.htm>. We use this website to communicate regulatory changes, revisions to the servicer guide, the servicer implementation guide, as well as all other VALERI-related information. The website contains a link to an implementation schedule showing when each servicer will be transitioned to VALERI.

In preparation for the VALERI implementation, we ask each mortgage servicing company to review their implementation date on the VALERI website as soon as possible, and contact the VALERI Helpdesk to provide the name, phone number, and email address for the primary person responsible for overseeing their transition to VALERI.

The VALERI Helpdesk
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Sincerely yours,

/s/

Judith A Caden

Director, Loan Guaranty Service