

To: All Customers **From:** Credit Risk
Date: 02/25/21 **Memo#:** 21027
Subject: VA – Certification of Eligibility Enhancements

CERTIFICATION OF ELIGIBILITY ENHANCEMENTS TO STREAMLINE INCOME VERIFICATION

Effective Friday, March 19, 2021, lenders no longer have to submit a VA Form 26-8937 when the Certificate of Eligibility (COE) already lists the relevant income information.

Loan Guaranty Release 21.6 will be installed on March 18, 2021, and includes enhancements to existing COE conditions. These enhancements will limit when VA Form 26-8937 must be submitted to RLCs to the following instances:

- An active duty Service member has received a proposed or memorandum rating or a pre-discharge claim for VA disability compensating is pending;
- A COE condition expressly states the VA Form 26-8937 must be submitted to VA; or
- System limitations cause anomalies on the COE and lenders are unable to resolve such anomalies after calling VA at 877-827-3702.

VA recognizes that there are cases where a Veteran's compensation award increases after the effective date of the COE. In such cases, rely on the Veteran's award letter to verify the increases.

HOW TO SUBMIT

In the limited circumstances where VA Form 26-8937 will still be submitted to VA, upload the form to WebLGY.

- This can be completed by selecting New Application under Electronic Application in WebLGY.
- The VA Form 26-8937 should be uploaded under correspondence in E-Docs as Form 26-8937 document type.
- Interest Rate Reduction Refinancing Loans (IRRRLs) for Surviving Spouse of a Veteran Who is Deceased. Under 38 U.S.C. § 3710(e)(3), if a surviving spouse of a deceased Veteran was a co-borrower of a VA-guaranteed loan, the surviving spouse is eligible for an IRRRL to refinance the VA-guaranteed loan. Lenders should utilize the "New Application" under the surviving spouse's name, not the deceased Veteran's name. Note: Information about the loan being refinanced will not appear on the COE.
- VA Form 26-8937 Status Inquiries. Upon VA's receipt of VA Form 26-8937 from the lender, the COE will be updated accordingly, and the lender should be able to obtain the COE in WebLGY. In rare instances of system limitations, VA may upload a completed VA Form 26-8937 to the eligibility record in WebLGY in lieu of updating the COE record. Lenders should allow five business days before calling 877-827-3702 for a status update.

Effective Friday, March 19, 2021, VA will be unable to process VA Form 26-8937 via fax.

Resources:

- [VA Circular 26-21-03](#)
- [VA Form 26-8937](#)