

Department of Veterans Affairs (VA) Acceptance of Properties

1. Purpose. This Circular provides guidance on requests for execution of documents related to the conveyance or reconveyance of properties to the Secretary of the Department of Veterans Affairs (VA) to provide specific details to those authorized to sign documents for the Secretary, and to those who submit such documents.

2. Background. Conveyance of properties to the Secretary is addressed in Title 38, Code of Federal Regulations (CFR), section 36.4323, titled "Election to Convey Security". This section discusses the conditions in which a loan servicer that acquires a property which secured a VA-guaranteed loan at a liquidation sale, via foreclosure or through acceptance of a deed-in-lieu of foreclosure, may decide to transfer the property to the Secretary. The regulation provides that the conveyance is subject to a number of provisions, particularly that the servicer will convey the title to the Secretary via a special warranty deed and must provide evidence to the Secretary of acceptability of title (which need not be provided if transfer is via a general warranty deed). The fact that the VA Loan Electronic Reporting Interface (VALERI) accepts the Transfer of Custody (TOC) event to report the notice of election to convey, this does not mean the Secretary has actually accepted conveyance of the property until all provisions of 38 CFR 36.4323 are satisfied.

3. Additional State Transfer Requirements. In some states, both the Grantor (seller) and the Grantee (buyer) are required to execute a transfer deed. Additionally, some states require execution of other documents by the Grantor and/or the Grantee. Sometimes these documents must accompany the transfer deed when it is submitted for recordation. Some documents are required to establish status and value for future real estate taxes, while others may relate to potential taxable income from the sale of real estate. VA will execute such documents when they are clearly in conformance with their stated purposes (e.g., to establish real estate tax value). However, in no event will VA's execution of such a document be deemed as VA's acceptance of a property. Furthermore, when there are questionable items shown, such as a report that a deed to VA is a deed-in-lieu of foreclosure, although such a deed should be to the loan servicer, with a subsequent transfer deed to the Secretary, then VA may seek clarification prior to execution of the document.

4. Kentucky. VA is required to sign a special warranty deed to reflect acceptance of the deed transfer to comply with the state recordation requirements.

5. California. VA is required to sign a certificate of acceptance to transfer the property to a political corporation or governmental agency for public purposes. Conveyances to VA are actually made to the Secretary of Veterans Affairs as an officer of the United States, as part of a salvage operation under the Home Loan Guaranty program. Therefore, such properties do not fit this section of the California Government Code, which requires either a resolution of acceptance on the part of the political corporation, or else a certificate of acceptance substantially in the

form provided in the code. Accordingly, such a certificate is not necessary. However, if a local jurisdiction demands such a form in order to record a deed involving the Secretary, then authorized VA officials will sign a certificate to include the qualifying language: “is accepted if the grantee determines the property meets the requirements of part 36 of Title 38, Code of Federal Regulations as shown in bold in Exhibit A, which is a sample of a certificate substantially in conformance with the form provided in the code.

6. Delegated Signature Authority. Under 38 CFR 36.4345, “Delegation of Authority”, employees filling certain positions are authorized to sign documents related to real estate transfers on behalf of the Secretary. Designated positions include Loan Guaranty Officers and Assistant Loan Guaranty Officers, who are authorized to sign documents for properties nationwide. Anytime a VA employee signs a document on behalf of the Secretary, the document should include a signature block that cites the delegation of authority. Above the line for the signature should be something similar to the following “(Name of employee, position) on behalf of the Secretary of Veterans Affairs, an Officer of the United States, pursuant to the delegation of authority at 38 C.F.R. 36.4345, but subject to the limitations of 38 C.F.R. 36.4323.” This signature will describe the authority of the individual signing the document, and also serve as notice that whatever the document may state, VA retains its right to determine acceptability of title to the property and to reconvey if title is not acceptable.

7. VA Address: For any document requiring an address for VA in connection with the conveyance of property to VA, use:

Department of Veterans Affairs
Loan Guaranty Service
3401 West End Avenue, Suite 760W
Nashville, TN 37203

8. Rescission: This Circular is rescinded April 1, 2020.

By Direction of the Under Secretary for Benefits

Jeffrey F. London
Director, Loan Guaranty Service

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**Certificate of Acceptance
(California Government Code Section 27281)**

This is to certify that the interest in Real Property conveyed by the attached Deed or Grant dated _____ from _____ to the Secretary of Veterans Affairs, an Officer of the United States of America, successors and assigns, at U.S. Department of Veterans Affairs, VA Regional Loan Center, 3333 N. Central Avenue, Phoenix, AZ 85012-2402 (Grantee), **is accepted if the Grantee determines the property meets the requirements of part 36 of Title 38, Code of Federal Regulations. The Grantee consents to the recordation thereof by its duly authorized officer. Nothing herein waives the Grantee's authority to determine that the property is not acceptable pursuant to 38 C.F.R. 36.4323.**

Secretary of Veterans Affairs, an Officer of the United States of America, successors and assigns, pursuant to the delegation of authority at 38 C.F.R. 36.4345

Dated _____ By: _____

Name: _____

Title: _____

State of _____

County of _____

On _____ before me, the undersigned, notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature _____ (Seal)