

From: [VAVBAWAS/CO/LGY](#)
To: ["damon.cecil@icloud.com"](mailto:damon.cecil@icloud.com)
Bcc: [Stewart, Deborah, VBAVACO](#); [Venerick, Brian S., VBAVACO](#); [Kessinger, Nancy J., VBAVACO](#); [Allmond, Yvette M., VBAVACO](#); [Sborz, Heather L., VBAPHNX](#)
Subject: FW: [EXTERNAL] Federal Register: Comment submission OMB Control No. 2900-0406
Date: Tuesday, May 3, 2022 10:31:00 AM

Dear Gunnery Sergeant Cecil,

Thank you for your comment and your service. VA Form 26-8937 allows VA to collect relevant information from lenders and facilitates a review of the existing medical evidence for the issuance of a memorandum rating for the purpose of a waiver of the VA funding fee collected under 38 USC 3729. Lenders are to submit this form when an active duty Veteran indicates they have a pre-discharge claim pending with VA. Under 38 USC 3729(c)(2), VA waives the funding fee for a Veteran who is rated eligible to receive service-connected disability compensation as the result of a pre-discharge examination and rating or if a memorandum rating is issued based on a pre-discharge review of existing medical evidence. Statute only requires a Veteran be rated eligible to receive service-connected disability and does not require a certain percentage of rating. This is an important distinction that generally enables VA to issue the memorandum more expeditiously while a discharging Veteran is trying to close on a home loan. State and local real estate taxes and exemption requirements vary significantly across the country. You should contact your tax assessor or taxing authorities to determine acceptable documentation and the conditions necessary to establish a tax exemption. If you have a pre-discharge claim pending and want to request a memorandum rating for a waiver of the funding fee, your lender can submit VA Form 26-8937, or you can reach out to us at 1-877-827-3702, option 1, Monday - Friday 8am-6pm ET.

Thank you,
Loan Guaranty Service

From: Damon C <damon.cecil@icloud.com>
Sent: Monday, April 18, 2022 9:29 PM
To: Kessinger, Nancy J., VBAVACO <nancy.kessinger@va.gov>
Subject: [EXTERNAL] Federal Register: Comment submission OMB Control No. 2900-0406

To: Nancy J. Kessinger, Veterans Benefits Administration (20M33),
Subj: Comment submission for OMB Control No. 2900-0406
Ref: OMB Control No. 2900-0406
Title: Verification of VA Benefits, 26-8937

Specific topic to address: Pending military retirement claims program (Benefits at Delivery BDD/Direct Decision) document utility enhancement, timing vs purpose, & the costly conflict.

Nancy,

With retiring service members pending a BDD 20+ years service (approved) this form has more potential utility than its current use.

Issue: Members pending BDD and >60 days from discharge purchasing a home (transition out of military, relocating) have to close on a home prior to receiving BDD rating.

In most states (like Texas for example), the percentage of VA disability is a waiver for many forms taxes (like property taxes). They must reduce their affordability to compensate for property and other taxes; because the lender does not have a memorandum of proposed rating, or any indication the member

With a 350k-400k loan, this can be \$350-600 of the monthly mortgage payment. The member closes the home

What fixing the problem solves: further reduces time/paperwork at regional centers after a VA loan is completed for a retiring service member with a BDD. If the BDD is “submitted for decision.pending” for 1-2 months leading up to discharge, it is usually because it is waiting for the DD-214 - which is not coming until right at discharge.

Therefore, is not going to help any disability tax exemptions for the VA loan ..because the loan will normally be closed at the same time of discharge (so they can transition); it has to be, otherwise the retiring service member is prevented

There should not be a trade off for the member.

This form can support retiring members with a BDD (waiting for the DD-214) and within 45 days of retirement date.

A. - wait until I am discharged to get a VA loan, so I know my state VA tax benefit

B. - get a loan with no tax or other state VA benefit considerations - reducing loan amount/affordability factor - only weeks later to then spend tens of hours of time and money submitting forms and processes to change your 30yr loan because 25% of the mortgage includes full property taxes, which all or a big portion is now exempt (now that a week-month after your discharge you get your BDD rating.

Why is this important: A service member cannot receive a BDD claim rating until well after the VA gets a final DD-214. And after discharge date.

This DD-214 is normally produced between 15 to 1 day(s) from discharge.

The Benefits Delivery at Discharge (BDD) program is the primary method for VA claims here. To focus, BDD begins 6 months prior to retirement date. The average processing time is 151 days (2022). That said, they are 60-90 days max to get to the “submitted/pending decision last parts).

-A VA home loan can take 60 days from start to finish.

-Most 20 year+ Service retiring members are relocating to a different state (back to home of record or next career location) at retirement.

-they are buying a home with a VA loan within 60 days of discharge (a home loan takes between 30 days minimum to close)

I submit this comment/concern because:

-I am active duty, Today is April 18, 2022

-My 20yrs service - BDD claim is "pending decision" not to be released until DD-214

-it takes 14 days to process the decision after receipt of DD-214

-I get my retirement DD214 on 15 June 2022

My discharge date is 30 June 2022

-I am transition my family back to my Home of Record in Texas.

-I must buy a home & move in by 30 June 2022.

-My BDD has over 20 pending disability (med-record problems list) with multiple service/combat connections and I am retiring on permanent limited duty.

-Texas reduces your property tax (state/city/county) by the rating percentage. If 100% home property taxes are waived. This is 25% of the mortgage. I have to secure a roof over my family's head in Texas at the same time I am getting my VA rating.

-I must reduce my home affordability by 25% (and get 25% less home) without any info regarding a proposed rating. Therefore, will have a 30 year VA loan that includes full property taxes. Now I and the state, and the VA will have to spend months, exhaustively to reverse all that. (full property taxes included on a 30 year VA loan that less than a month later, get the rating that waives all or part of that)

Final thoughts: This form is a solid utility for 20+ year retiring service members pending BDD/Direct Decision claim. Enhance its function by providing a lender a proposed memorandum rating (or something) if the member is within 45 days of discharge date, pending a BDD with a rating in limbo waiting for a DD-214 that will process after the loan closes.

And Nancy, thank you for taking the time in reading this and your hard work towards a vital job, a function that almost always goes unnoticed, behind the scenes and unappreciated; With the VBA, I hope you and your colleagues get a lot of healthy recognition.

Thanks for listening,

GySgt Damon E. Cecil, USMC

X-1933

Dod ID 1106282958

Cell: 303-562-6950

damon.cecil@usmc.mil

damon.cecil@icloud.com