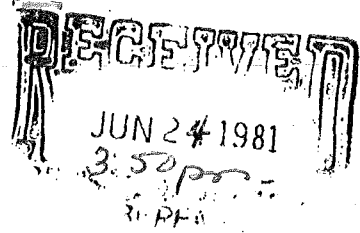


VA 4

CERTIFICATE



STATE OF WISCONSIN)
) SS.
DEPARTMENT OF VETERANS AFFAIRS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, John R. Moses, Secretary of the Department of Veterans Affairs and custodian of the official records of said department do hereby certify that the annexed creation of a rule relating to the removal from the department's list of authorized lenders of any lender which makes an excessive number of errors on applications for direct veterans housing loans, was duly approved and adopted by the Board of Veterans Affairs of the Department of Veterans Affairs on June 19, 1981.

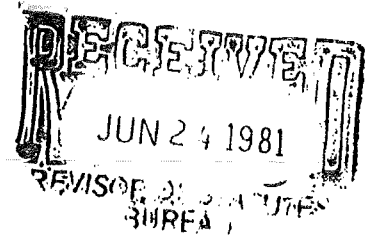
I further certify that said copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seals of the Department of Veterans Affairs at 77 N. Dickinson St., in the City of Madison, this 19th day of June, 1981.

BY: *John R. Moses*
JOHN R. MOSES, Secretary

9-1-81

ORDER OF THE
DEPARTMENT OF VETERANS AFFAIRS
ADOPTING RULES



Relating to rules concerning the removal from the department's list of authorized lenders of any lender which makes an excessive number of errors on applications for direct veterans housing loans.

ANALYSIS PREPARED BY DEPARTMENT OF VETERANS AFFAIRS

VA 4.12 has been created to establish criteria for determining what lender errors or omissions in processing direct veterans housing loans will be considered in determining whether to suspend a lender. The rule also establishes procedures for the suspension of authorized lenders who are determined to make excessive errors and omissions in such processing.

Pursuant to authority vested in the Department of Veterans Affairs by sections 45.35(3) and 45.73(1), Wis. Stats., the Department of Veterans Affairs adopts a rule interpreting section 45.79(5)(a)5., Wis. Stats., as follows:

Section VA 4.12 of the Wisconsin Administrative Code is adopted to read:

VA 4.12 OMISSIONS AND MATERIAL ERRORS AS GROUNDS FOR SUSPENSION OF AUTHORIZED LENDERS.

- (1) GROUND FOR SUSPENSION. The department may suspend any authorized lender who makes excessive omissions or material errors on loan application packages the authorized lender submits to the department after January 1, 1981. An error is material if it prevents, or would prevent if the loan application package were not subsequently withdrawn, the correct processing to final determination of the loan application package as submitted. A loan application package is any loan application together with all supporting documents required by the department which is submitted to the department for processing, whether or not the loan application package is subsequently withdrawn before final determination by the department. For purposes of this section, an appeal of a loan denial is a new and separate loan application package.
- (2) DETERMINATION OF EXCESSIVE OMISSIONS AND MATERIAL ERRORS. The department shall examine each loan application package received after January 1, 1981, and determine the number of omissions and material errors it contains. The department shall give notice to any authorized lender, who has submitted loan application packages with excessive accumulated omissions and material errors, that the authorized lender may be suspended if the lender fails to properly complete loan application packages submitted thereafter. At the request of any authorized lender, the department shall instruct the authorized lender in how to properly complete loan application packages.
- (3) PROCEDURE FOR SUSPENSION. If the secretary determines that an authorized lender who has been given notice pursuant to sub. (2) has made excessive accumulated omissions and material errors on loan application packages it has submitted after receiving such notice, the secretary may give notice to the lender that the lender is temporarily suspended from originating direct housing loans. The notice of temporary suspension will be sent by certified mail, return

receipt requested. The notice of temporary suspension will be effective five days after it is mailed, except for applications which the authorized lender commenced processing prior to the effective date of the temporary suspension. The notice of temporary suspension will also contain notice of a hearing on indefinite suspension from participation in the direct housing loan program, which hearing shall be treated as a "class 3 proceeding" as defined in s. 227.01(2)(c), Stats. The hearing shall be conducted pursuant to s. VA 4.11(3), Wis. Adm. Code. The temporary suspension shall be effective until a final decision is reached following the hearing, pursuant to VA 4.11(4), Wis. Adm. Code. A party aggrieved by a final decision may petition for rehearing pursuant to ss. VA 4.11(5) and (6), Wis. Adm. Code, and may appeal to the board of veterans affairs pursuant to s. VA 4.11(7), Wis. Adm. Code.

- (4) REINSTATEMENT. An authorized lender permanently suspended for making excessive accumulated omissions and material errors on loan application packages it has submitted after receiving the notice set forth in sub. (3), may make application to the department for reinstatement to the department's list of authorized lenders at any time after six months from the effective date of such permanent suspension. The application shall include the lender's proposal for elimination of omissions and material errors on future loan application packages. The department, after investigation and evaluation of the lender's application, may reinstate the lender to the department's list of authorized lenders. If the department should find that an application for reinstatement is made without sufficient cause to justify reinstatement, it shall deny reinstatement.

The rule contained in this order shall take effect as provided in section 227.026(1), (intro.), Wis. Stats.

Dated: June 19, 1981

STATE OF WISCONSIN
DEPARTMENT OF VETERANS AFFAIRS

BY: 

Fred C. Heinle
Chairman
Board of Veterans Affairs