

HOME LOAN FIELD EXAMINATIONS JOB AID

Hubs may receive notification from a Regional Loan Center (RLC) if a beneficiary in the Fiduciary Program defaults on a home loan or becomes delinquent over several months.

When hubs receive this notification, hubs must immediately establish a fund usage follow-up field examination EP using the date of RLC notification for the date of claim for the EP. Use the table below to identify the elements of the field examination.

The field examination must assess and document the ...	By ...
<ul style="list-style-type: none"> • current VA FUM, and • use of VA funds to determine if a misuse allegation is warranted 	reviewing all bank statements containing VA funds for the three months immediately preceding the date of the field examination.
fiduciary’s relationship with the beneficiary to determine if a successor fiduciary appointment is necessary	assessing <ul style="list-style-type: none"> • beneficiary-fiduciary interactions, and • the fiduciary’s understanding of the beneficiary’s regular income and expenses.
reasons for the past due VA backed mortgage payments to determine if an event(s) caused an overwhelming financial hardship	considering documents or other information (to include those noted during review of VA FUM) that validate the occurrence of the event(s). Examples of overwhelming financial events include: <ul style="list-style-type: none"> • loss of income (for example, loss of job or a reduction in VA benefit payments) • serious illness or injury • bankruptcy, and • divorce.

Important: If warranted based on findings of the field examination, the hub must establish the appropriate EP to complete a successor field examination and/or misuse investigation when

- the fiduciary is unable to meet their responsibilities described in [38 CFR 13.140\(d\)](#)
- a misuse allegation is warranted, or
- sufficient justification does not exist for the default VA backed home loan payment.

Following completion of a fund usage field examination that was established because the hub is notified that a VA backed home loan is in default, the hub must provide a copy of the field examination report electronically to the RLC of jurisdiction. If a misuse allegation is established and/or a successor fiduciary is appointed, the hub must inform the RLC.

- RLC jurisdictions and addresses: [M21-1, Part XIII, Subpart i, 7.B.1.a.](#)