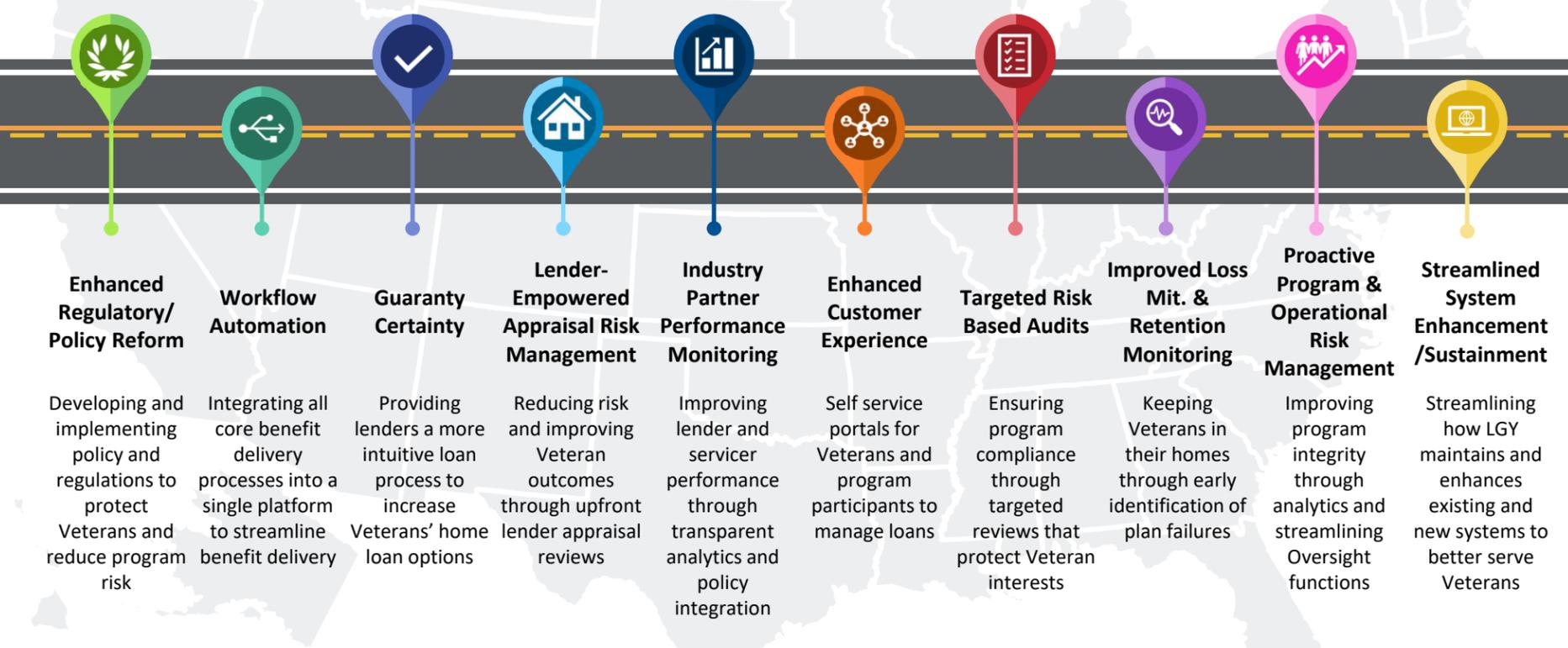


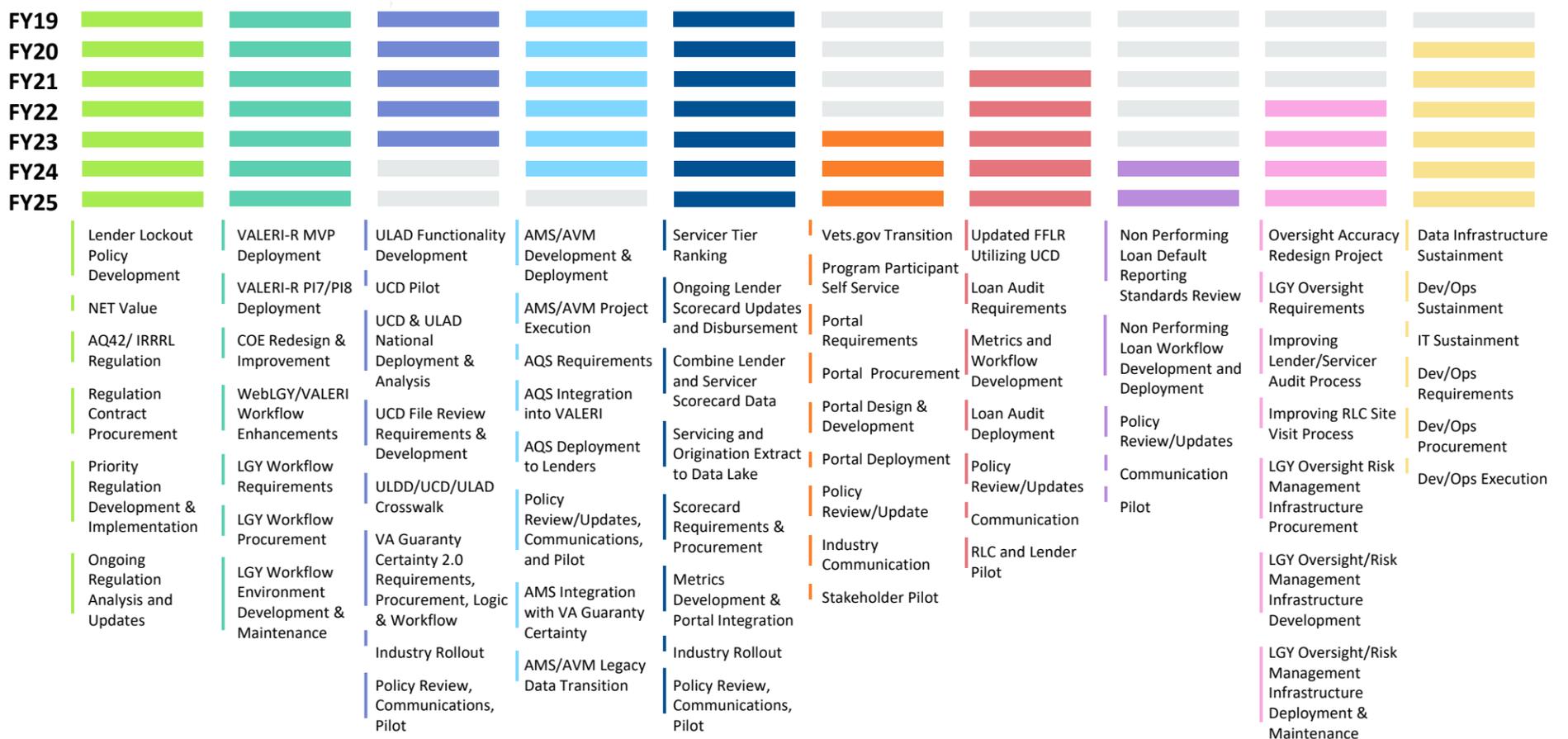
U.S. Department of Veterans Affairs Loan Guaranty Service is Going Places...

Loan Guaranty Service's vision is to empower Veterans with information and access to innovative products and services by providing a Veteran-focused experience, strengthening our partnerships, driving continuous performance improvements, and never forgetting who we serve. To accomplish this, we identified the below priorities that will drive our program forward through increased Veteran transparency, improved collaboration with our industry partners, and innovative solutions to increase participation and reduce program risk. These priorities directly support LGS's Strategic Objectives and Goals B and C, which make VA Home Loans the product of choice and promote positive Veteran outcomes.

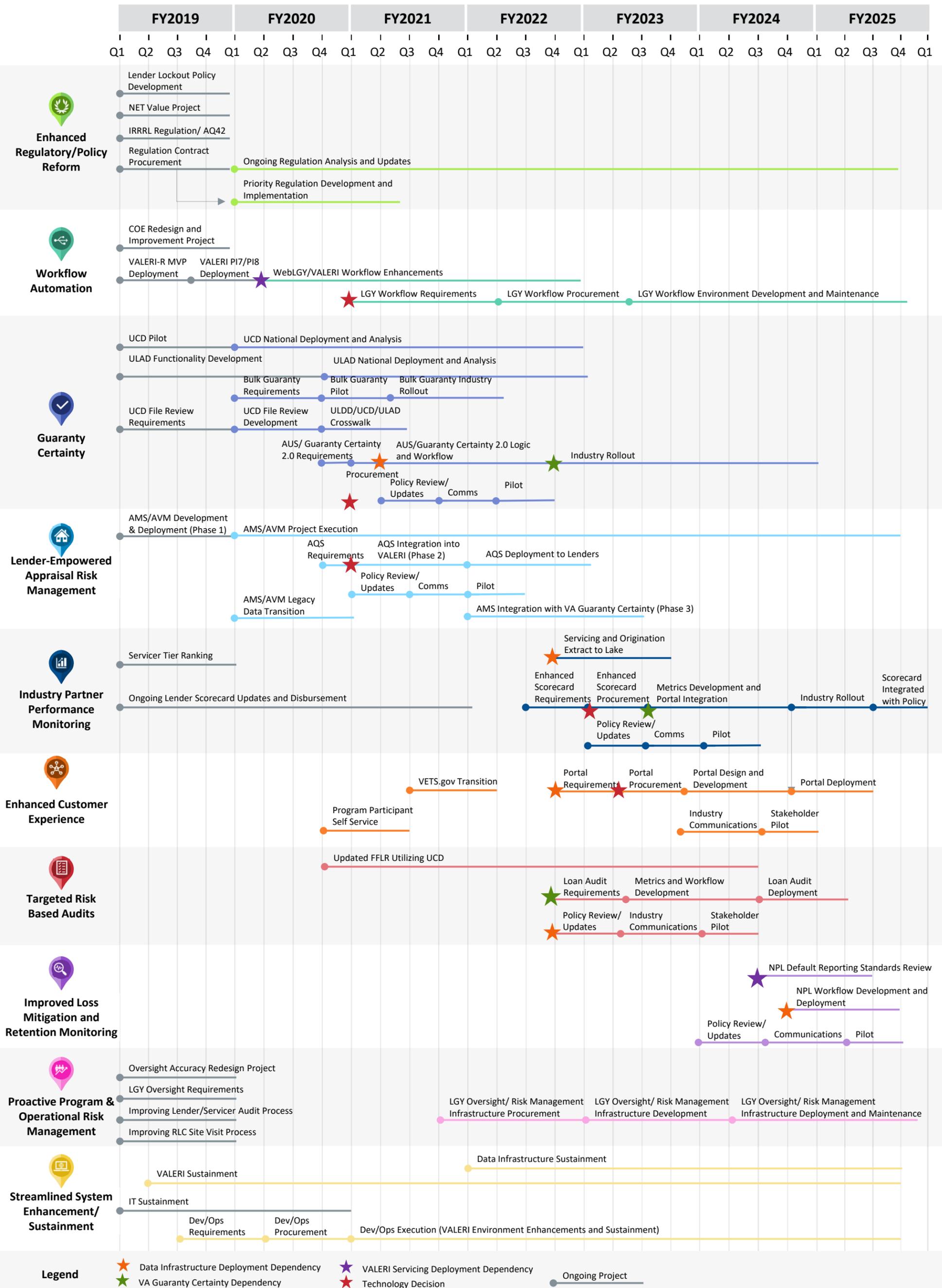
LG's Top Priorities through 2025



Timeline of Specific Priority Initiatives



LGY Strategic Roadmap



VALERI Transforming VA's Loan Lifecycle

The mission of Loan Guaranty Service (LGY) is to maximize Veterans' and Servicemembers' opportunity to obtain, retain, and adapt homes by providing a viable and fiscally responsible benefit program in recognition of their service to the nation.

Automate.

The VALERI redesign effort will completely overhaul the currently deployed servicing system and adds to and expands the footprint of loan origination and valuation, property acquisition, and oversight functions. VALERI will improve performance efficiency through automated processing.

Collaborate.

VALERI will standardize disparate data sources (including legacy VALERI data), integrate third party systems, and connect external stakeholders to create a transparent and holistic view of a loans' lifecycle, which includes industry standard reporting submissions (e.g. MISMO). This will enable stakeholders to efficiently and effectively deliver VA's home loan guaranty benefit to Veterans.

Evaluate.

Through advanced data analysis and reporting, VALERI will provide oversight and transparency of lender and servicer performance. This will enable Veterans to better evaluate loan options and statuses while VA addresses high-risk programmatic challenges with data driven solutions.

Ideal Future State VALERI

Challenges

Veteran Access to Benefits

Demand for the VA Guaranty Program has grown substantially since VALERI's deployment in 2008. Without modernization of VALERI, LGY will have difficulty supporting Veterans and their growing volume of loan needs.

- Over 2,000 loans per work day** totaling over **\$500 million daily**
- 370% Increase** in loan originations since FY07 **purchase volume record each year since 2015**
- Over \$25 billion** avoided claims since VALERI inception, **helped over 850,000 Veterans avoid foreclosure since 2009**

Automation



The mortgage banking industry has focused on lending process automation to capitalize on reduced time and costs and increased quality. LGY will focus on **re-imagining its current platform** to create an end to end process environment, which will allow the service to **transform inefficient processes, improve transparency and communication for all stakeholders, and create synergies** in the marketplace to **remain competitive** for all Veterans.

Reporting

The Federal government continues to focus on increased transparency, business intelligence, and reporting to better serve Veterans and the tax payer. LGY must focus on **business intelligence solutions to generate meaningful, evidence-based insights** to address growing transparency and data demands.



Impacts



Expanded Oversight and Transparency

Targeted risk-based oversight model enables VA to conduct audits, remain informed, and ensure program integrity.



Improved Veteran Experience

Customer Relationship Management (CRM) best practices enable borrowers and additional stakeholders to see real-time, relevant loan information throughout the loan lifecycle.



Modernized Business Processes and System Usability

Users of the redesigned VALERI experience business agility, data integrity, cost improvements, risk reduction, user productivity, and system transparency.



Saved Time and Costs

Veterans, Taxpayers, Servicers, and Lenders experience time and cost savings while VA employees focus on value add tasks as a result of advanced automation and oversight, improved data integrity, and consolidated data.



Enhanced Business Intelligence, Data Analytics, and Reports

The redesigned VALERI collects data and meta-data throughout all loan lifecycle phases and utilizes business intelligence tools to create dashboards in areas new to VA.



Advanced Program Management

The redesigned VALERI's enhanced analytics and functionality enable VA to better manage organizational risk and plan for future policy, legislation, and regulation changes.

