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## Mortgage relief for military, vetera

### Your Voice

The American Legion - March 7, 2012

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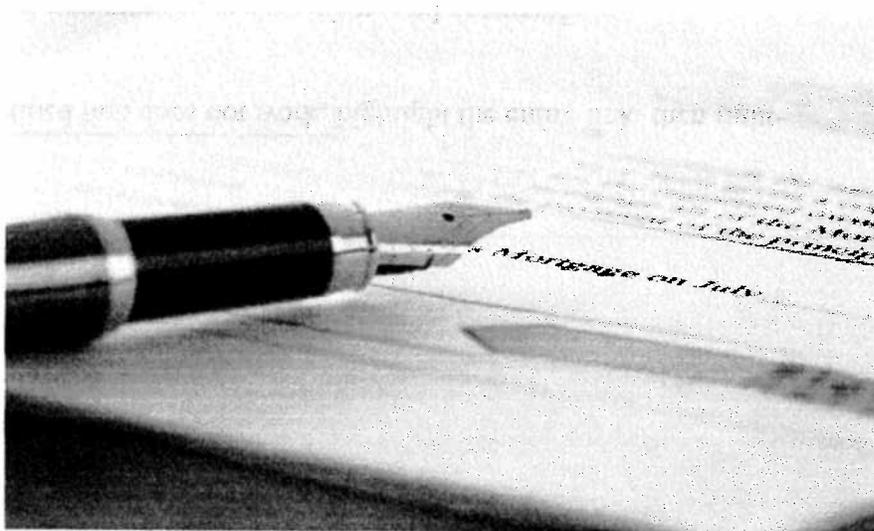
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“Every war has produced so-called “ticking time bombs.” Like most ordnance, they tend to lose their potency over time. This strikes me as another effort to stigmatize veterans.”

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Media Bakery photo

In January, after reports that some military families had been illegally forced from their homes or required to pay higher-than-lawful interest rates, The American Legion called upon all U.S. financial institutions that handle servicemember mortgages to make sure they are complying with the law. Congressional hearings and investigations of lenders suspected of wrongdoing followed.

On Tuesday, the issue was highlighted again when President Obama announced a number of efforts designed to ease financial burdens on homeowners facing difficulty during the nation's current housing crisis. Several of the measures, which do not

require congressional approval for enactment, were aimed specifically at active-duty servicemembers and military veterans.

"(We) are taking a series of steps to help homeowners who have served our country," President Obama said. "It is unconscionable that members of our armed forces and their families have been some of those who have been most susceptible to losing their homes due to the actions of unscrupulous banks and mortgage lenders. Over the last few years, that happened — a lot.

"So, as part of the landmark settlement we reached with some of the nation's largest banks a few weeks ago, here's what we're going to do. If you are a member of the armed forces whose home was wrongfully foreclosed (upon), you will be substantially compensated for what the bank did to you and your family. If you are a member of the armed forces with a high interest rate who was wrongfully denied the chance to lower it while you were on active service — which banks are required to do by law — the banks will refund you the money you would have saved along with a significant penalty.

"The settlement will (also) make sure that you aren't forced into foreclosure just because you have a permanent change in station (and) can't sell your home because you owe more than it's worth. Some of the money will also go into a fund that guarantees loans on favorable terms to our veterans, and there will be more foreclosure protections for every man and woman who is currently serving their country in harm's way."

The White House detailed the measures, saying that major mortgage lenders are being directed to review all foreclosures imposed on servicemembers and veterans since 2006 to determine whether or not they were done in accordance with the Servicemembers Civil Relief Act (SCRA). If their homes were wrongly taken from them, servicemembers and veterans would be paid their lost equity and be entitled to an additional \$116,785 in compensation.

Mortgage lenders are now required to conduct a review of servicemember clients whose loans date back to 2008 to

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determine if they were charged an interest rate in excess of the maximum 6 percent allowed by law. If so, the servicemember will be entitled to a payment equal to four times the amount wrongfully charged.

Additionally, protection against foreclosure is now being extended to servicemembers receiving combat pay. The SCRA currently prohibits foreclosures toward active-duty servicemembers without a court order but only if the home loan was made when they were not on active duty. Under the new rules, mortgage protection is extended to servicemembers, regardless of when their loans were secured, who within nine months of the foreclosure received Hostile Fire/Imminent Danger or so-called combat pay.

Financial compensation is also being given to some servicemembers who were forced to sell their homes at a loss due to a permanent change of duty station.

The White House says any servicemember or veteran who believes rights were violated by Ally Bank, Citibank, JP Morgan Chase & Co., or Wells Fargo is invited to contact the Department of Justice directly at (800) 896-7743.

Servicemembers and dependents who believe they have been victims of Servicemembers Civil Relief Act violations are directed to contact their nearest Armed Forces Legal Assistance Office. A directory of these offices can be found at <http://legalassistance.law.af.mil>.

More information concerning laws protecting servicemembers is at [www.servicemembers.gov](http://www.servicemembers.gov).

