



FORT SILL LEGAL ASSISTANCE

The National Mortgage Settlement and Military Personnel



In February 2012, forty-nine state attorneys general and the federal government announced a historic joint state-federal settlement called the National Mortgage Settlement, which contains several provisions to provide relief specific to servicemembers and veterans harmed by wrongful mortgage servicing practices. The settlement also establishes first-ever nationwide reforms to mortgage servicing standards. These standards require better communication with borrowers, a single point of contact, adequate staffing levels and training, and appropriate standards for executing documents in foreclosure cases.

Wrongful foreclosures: The Servicemembers Civil Relief Act (SCRA) provides protections for active duty servicemembers, including postponing or suspending certain civil obligations, such as mortgage payments and foreclosure. This settlement provides enhanced safeguards for military personnel that go beyond SCRA protections, including extending the window of protections for qualified servicemembers, and not requiring servicemembers to be delinquent to qualify for a short sale, loan modification, or other loss mitigation relief if the servicemember suffers financial hardship and is otherwise eligible for such loss mitigation. The settlement requires Bank of America, Citi, JP Morgan Chase, Wells Fargo and Ally to provide any servicemember who was a victim of a foreclosure in violation of the SCRA since Jan. 1, 2006 with a payment equal to their lost equity, plus interest, and an additional \$116,785.

The January 18, 2013 deadline to submit a claim form has passed. Consumers soon will no longer be able to submit a claim form online. Although the deadline has passed, the settlement administrator may still be able to process properly filled out claim forms that are received or submitted online in the next few weeks. Therefore, if you wish to submit a claim form under the National Mortgage Settlement, you may still do so. However, please note that there is no guarantee that a claim form submitted after January 18, 2013 will be accepted. To maximize the likelihood that your claim form can be accepted, please submit it as quickly as possible.

Interest charged in excess of 6 percent: For servicemembers who on or after January 1, 2008 were charged a mortgage interest rate in excess of 6% in violation of the SCRA, the national mortgage settlement requires Bank of America, Citi, Wells Fargo and Ally to pay those servicemembers a payment equal to three times the amount of excess interest charged or \$500 (whichever is greater).

PCS Orders: Under the Department of Defense's Homeowners' Assistance Program (HAP), servicemembers forced to sell their home at a specified loss due to a Permanent Change in Station (PCS) may be partially compensated for their loss. Unfortunately, HAP's benefits are limited to specified servicemembers. Under this settlement, Bank of America, Citi, Chase, Wells Fargo and Ally will provide mandatory short sale agreements and deficiency waivers to many servicemembers who are currently ineligible for HAP.

Veterans' loans: \$10 million will be paid into the Veterans Housing Benefit Program Fund through which the Department of Veterans Affairs guarantees loans provided on favorable terms to eligible veterans. In addition, many veterans with VA-guaranteed mortgages will be eligible for relief provided through the servicers' \$20 billion consumer relief obligations.

Foreclosure during Hostile Fire/ Imminent Danger Pay: The SCRA prohibits mortgage servicers from foreclosing on pre-service mortgages of active duty service members without first securing a court order. This settlement extends this protection to all servicemembers, regardless of when their mortgage was secured, who within nine months of the foreclosure received Hostile Fire/Imminent Danger Pay and were stationed away from their home.

Oklahoma Specific: Oklahoma was the lone state that was not a part of the national settlement. However, Oklahoma reached its own agreement with Bank of America, JPMorgan Chase, Citigroup, Wells Fargo and GMAC. The agreement provides Oklahoma \$18.6 million in compensatory damages for unfair and deceptive practices by the banks during the mortgage foreclosure crisis. Oklahoma residents who believe they were subjected to unfair and unlawful practices during the foreclosure process may apply for compensation at www.oag.ok.gov or by calling (405) 521-2029.

Contact Information: If you experience any issues related to mortgage servicing, you are encouraged to go online and fill out the form at mortgageoversight.com/military or call (919) 825-4748. If you any general questions about the national mortgage settlement you may go online at <http://nationalmortgagesettlement.com/about> or visit the Fort Sill Legal Assistance Office located on the 4th Floor of the Welcome Center, Building 4700 Mow-Way Road.

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If you have questions concerning the information in this fact sheet, please call the Legal Assistance Office (580) 442-5058 or (580) 442-5059. Our hours of operation are Monday, Tuesday, Wednesday and Friday, 0900 – 1600, and Thursdays 1300-1600. The Fort Sill Legal Assistance Office is located on the 4th floor of Building 4700, Hartell Hall (Welcome Center) on Mow-Way Road.