

**PRESS RELEASE**  
**FROM THE OFFICE OF JOHN F. TIERNEY**

**For Immediate Release**  
**July 14, 2011**

**Contact: Kathryn Prael**  
**(202) 225-8020**

**Tierney Fights to Protect Servicemembers from Illegal Foreclosures**

Washington, D.C. – During this morning’s Oversight and Government Reform Committee hearing, Congressman John Tierney, Ranking Member of the Subcommittee on National Security, called on Chairman Darrell Issa to refocus his attention on efforts to protect our servicemembers from illegal foreclosures, rather than standing up for the big banks responsible for these egregious actions. He also entered into the record a report compiled by the Democratic staff entitled “Fighting on the Home Front: The Growing Problem of Illegal Foreclosures Against U.S. Servicemembers.” The report describes in detail the systemic nature of these problems.

*A copy of Congressman Tierney’s opening statement is below:*

**Statement of John Tierney**  
**Committee on Oversight and Government Reform**  
**U.S. House of Representatives**

**Hearing on “Consumer Financial Protection Efforts: Answers Needed”**

**As Prepared for Delivery**

**July 14, 2011**

Professor Warren, let me welcome you and thank you for your dedication to the interests of American consumers. You are doing a terrific job, and you have our thanks.

The cost of lack of regulation is pretty clear to all of us - it culminated in the recession that we have been suffering through. It is amazing that some people in Congress seems to be flacking for Wall Street banks, attacking the Consumer Financial Protection Bureau, an entity that has been set up to be the champion of the American consumer and taxpayer. Some seem bent on sabotaging consumer taxpayer protections in order to cover for the Wall Street banks who most of America believes wrecked our economy, got a taxpayer bailout, sometimes two, who built nothing of value for America except for financial products that ended up bilking the American public, and since then there has been too little legal, moral, or financial reckoning by these wrongdoers and frankly the lack of accountability for this greed and these misdeeds is stunning.

I would like to reiterate what the Ranking Member said about foreclosure abuses hitting servicemembers particularly hard. As the Ranking Member of the National Security Subcommittee, I understand that readiness can be affected by troops struggling to deal with issues back home, including negative credits reports, security clearances being suspended, and worst of all, losing their homes due to the illegal actions of banks.

Mr. Chairman, I would like to enter into the record a report compiled by the Democratic staff entitled "Fighting on the Home Front: The Growing Problem of Illegal Foreclosures Against U.S. Servicemembers." The report describes in detail the systemic nature of these problems.

Particularly troubling is that these abuses are already illegal. Congress enacted the Servicemembers Civil Relief Act to protect our men and women in uniform against foreclosures without court orders and against inflated fees.

This report finds that when initial accounts of illegal foreclosures began surfacing, the banks downplayed these problems. But as thousands of affected servicemembers were identified, it became clear the problems were more widespread.

This year, three banks were forced to pay multi-million dollar settlements relating to these abuses. The largest was JPMorgan. At first, it announced it would pay \$2 million, but it ended up paying \$56 million to settle claims by active duty military personnel.

Justice Department officials also condemned the actions of Bank of America. They said the bank "failed to protect and respect the rights of our servicemembers, failed to comply with clearly mandated procedures, and foreclosed against homeowners who are valiantly serving our nation."

I want to thank Professor Warren and Holly Petraeus who have been working hard on this issue at the Bureau. Since these illegal actions are so much more widespread than originally thought, however, I believe a comprehensive investigation by this Committee is urgently needed.

###