

Washington, D.C. -- Today Representatives Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, Adam Smith, Ranking Member of the Committee on Armed Services, and Robert Andrews, Ranking Member of the Subcommittee on Health, Employment, Labor and Pensions, joined nine Members in writing to federal housing regulators requesting a comprehensive review of the challenges facing servicemembers who are forced to relocate for work and risk losing their homes.

“Men and women in uniform, who make unyielding sacrifices to protect our nation, are not immune to the worst economic downturn in nearly a century,” the Members wrote. “We urge you to protect their homes by adjusting current home foreclosure prevention programs and pressing mortgage servicers to address the unique challenges of military homeowners.”

The Members sent letters to Departments of Treasury and Housing and Urban Development, the Federal Housing Finance Agency, and the Securities and Exchange Commission, after hearing concerns from servicemembers about the difficulties they face when receiving Permanent Change of Station (PCS) orders, and attempting to qualify for home foreclosure prevention programs. Servicemembers and their families are often unable to sell their homes quickly at prices that will enable them to pay off their mortgages, and they cannot generate enough rental income to cover their mortgage payments or retain their homes until housing prices return to normal values.

The Ranking Members have led congressional efforts to help servicemembers and their families stay in their homes.

In July, Members led a forum with Senator Jay Rockefeller to examine illegal foreclosures against servicemembers and their families. Holly Petraeus, the director of the Office of Servicemember Affairs at CFPB, appeared alongside servicemembers and other experts to begin developing recommendations to help servicemembers with housing issues.

Below is the letter.

September 27, 2011

The Honorable Timothy Geithner
Secretary of Treasury
Development
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Shaun Donovan
Secretary of Housing and Urban
Development
U.S. Department of Housing
and Urban Development
451 7th Street, S.W.
Washington, D.C. 20410

Edward DeMarco
Acting Director
Federal Housing Finance Agency
1700 G Street, N.W., 4th Floor
Washington, D.C. 20552

The Honorable Mary L. Schapiro.
Chairman
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

Dear Secretary Geithner, Secretary Donovan, Chairman Schapiro and Director DeMarco:

We write to urge you to take action to protect military families who have been particularly hard hit by the ongoing foreclosure crisis. Men and women in uniform, who make unyielding sacrifices to protect our nation, are not immune to the worst economic downturn in nearly a century. We urge you to protect their homes by adjusting current home foreclosure prevention programs and pressing mortgage servicers to address the unique challenges of military homeowners.

We hear repeatedly from servicemembers and their families about challenges they face with Permanent Change of Station (PCS) orders. These servicemembers are typically current on their mortgages, but they are forced to move because the military requires them to do so. Like so many other Americans, servicemembers and their families are often unable to sell their homes quickly at prices that will enable them to pay off their mortgages, and they cannot generate enough rental income to cover their mortgage payments or retain their homes until housing prices return to normal values. Many of these families are also forced to make ends meet with lower housing allowances at their next duty stations, and they sometimes lose the incomes of non-military spouses as they try to find new employment.

Military servicemembers with PCS orders often do not qualify for mortgage modifications

because they are not delinquent on their mortgages or because their homes are no longer their primary residences. If they opt for delinquency, foreclosure, deed in lieu of foreclosure, short sale, or bankruptcy, their credit could be negatively affected and their security clearances could be suspended, rendering them unable to perform their assignments. For example, the Treasury Department's Home Affordable Modification Program requires homeowners to be in imminent default and covers only primary residences. In addition, many home foreclosure prevention initiatives offered directly by mortgage servicers have similar requirements. As a result, some servicemembers are opting to move alone to their new duty stations without their families. This is particularly disheartening for servicemembers who have just returned from overseas deployments.

United States servicemembers should not have to choose between saving their homes and continuing to serve their country. To address these concerns, we ask that you review these problems comprehensively and develop specific initiatives to address the unique needs of military servicemembers. We would appreciate a response to this request by October 7, 2011, describing the joint efforts you are undertaking. Thank you for your consideration.

Sincerely,

Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform

Adam Smith
Ranking Member
Committee on Armed Services

Rob Andrews
Member of Congress

Edolphus Towns
Member of Congress

Eleanor Holmes Norton
Member of Congress

John F. Tierney
Member of Congress

William Lacy Clay
Member of Congress

Stephen F. Lynch
Member of Congress

Danny K. Davis
Member of Congress

Bruce Braley
Member of Congress

Jackie Speier
Member of Congress

Peter Welch
Member of Congress

cc: Holly Petraeus
Office of Servicemember Affairs
Consumer Financial Protection Bureau