

## BENEFITS TO: SERVICEMEMBERS AND VETERANS

The national mortgage settlement contains a number of provisions to protect service members' rights and provide other significant benefits.

- ***Wrongful foreclosures:*** Bank of America, Chase, Citi, Wells Fargo, and Ally have agreed to conduct a full review, overseen by the Department of Justice's Civil Rights Division, to determine whether any service members were foreclosed on in violation of the Servicemembers Civil Relief Act (SCRA) from Jan. 1, 2006 through April 4, 2012. The banks are required to provide any service member who was a victim of such a wrongful foreclosure with a payment equal to their lost equity, plus interest, and an additional \$125,000. Servicemembers' compensation through the national mortgage settlement will be reduced by any amount that they previously received for SCRA violations through the Independent Foreclosure Review. To ensure consistency with an earlier settlement, JP Morgan Chase will provide these service members with either his or her home free and clear of any debt plus compensation for additional harm or the cash equivalent of the value of the home's sale price plus compensation for additional harm. The compensation for service members is in addition to the \$25 billion settlement.
- ***Interest Charged in Excess of 6 percent:*** To resolve allegations of liability that have not been previously settled, Bank of America, Citi, Wells Fargo, and Ally have agreed to conduct a thorough review, overseen by the Department of Justice's Civil Rights Division, to determine whether any service member, from Jan. 1, 2008 through April 4, 2012, was charged mortgage interest in excess of 6 percent after giving the servicer notice of his or her eligibility for the 6 percent interest rate in violation of the SCRA. Servicers are required to provide a payment equal to a refund plus interest of any amount in excess of 6 percent, plus triple the amount refunded or \$500 (whichever is larger). This compensation is in addition to the \$25 billion settlement.
- ***PCS orders:*** Under the Department of Defense's Homeowners' Assistance Program (HAP), certain service members who are forced to sell their home at a specified loss due to a Permanent Change in Station (PCS) may be partially compensated for the loss. However, under the governing statute for HAP, only certain PCS service members are eligible for benefits. Under this settlement, all of the participating servicers will provide mandatory short sale agreements and deficiency waivers to certain service members who are currently ineligible for HAP.
- ***Veterans Housing Benefit Program:*** \$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 Protections for Servicemembers Receiving Hostile Fire / Imminent Danger Pay:*** For loans secured by service members when they were not on active duty, the SCRA prohibits servicers from foreclosing on active duty service members without first securing a court order. The settlement extends this protection to all service members, 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.