



New Mortgage rules have been written for military families to help them as they serve and protect our country. These men and women who are stationed in the U.S. and abroad cited their mortgage problems as some of their most serious financial challenges.

The complaint data base with the CFPB has shown that more than a third of the complaints from the military are mortgage-related. Military service puts extra demands on them and at times increases the severity of the problem. Examples of some of the problems include bad recordkeeping by the lender, inconsistent foreclosure practices, and poor mortgage servicing just to name a few.

The new rules have been written to address these mortgage problems that are common among military families. First, there will be restrictions on dual tracking. This is the situation where a mortgage servicer was foreclosing on the home of a military family and at the same time the servicer was working with the family on a potential loan modification. This has been a common problem with military families who are stationed in different parts of the country and abroad.

Secondly, mortgage servicers are now required with the new rules to evaluate a borrower who files a complete application for help with all the options that are available to that borrower. This will cut down on the amount of time and multiple rounds of applications that a military family homeowner will have to go through for help. The CFPB has a specific Military Educator Form for these specific problems for homeowners seeking help.

Thirdly, the new rules require the mortgage servicers to answer the specific question and not just give the homeowner the run around. The servicer has to assign a specific person to assist in that situation. There are rules now that provide added protection to ensure that the servicer doesn't lose the documents, which has been a common problem in the past.

Additionally, the CFPB is very concerned with families who move due to a Permanent Change of Station (PCS). Mortgage servicers now have policies in place for requests for assistance from servicemembers with PCS orders and those policies must be clearly communicated. In 2011, both Freddie Mac and Fannie Mae updated their policies to indicate that a PCS move is considered a "qualifying hardship". Thus servicemembers automatically qualify for help and are eligible for a short sale. Those that perform short sale (a sale for less than what is owed on the mortgage) will not pay the difference between the original loan and the proceeds from the sale if the property was purchased before June 30, 2012 and the property is the family's primary residence.

These new rules and protections will allow the servicemembers to have peace of mind regarding their financial obligations while focusing on their service to Country.