

Congress of the United States
House of Representatives
Washington, DC 20515

September 27, 2011

The Honorable Timothy Geithner
Secretary of Treasury
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.

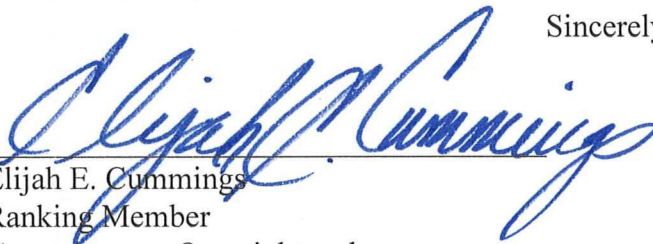
We hear repeatedly from servicemembers and their families about challenges they face with Permanent Change of Station (PCS) orders. These servicemembers are typically current on their mortgages, but they are forced to move because the military requires them to do so. Like so many other Americans, servicemembers 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.

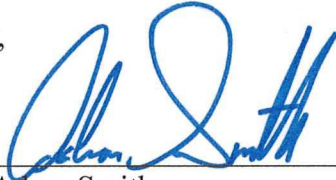
Military servicemembers with PCS orders often do not qualify for mortgage modifications because they are not delinquent on their mortgages or because their homes are no longer their primary residences. If they opt for delinquency, foreclosure, deed in lieu of foreclosure, short sale, or bankruptcy, their 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.¹ 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.

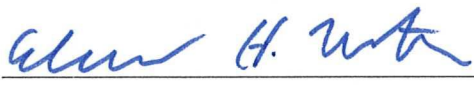
Sincerely,

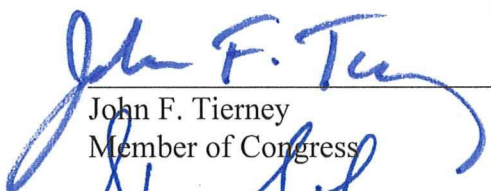

Elijah E. Cummings
Ranking Member
Committee on Oversight and
Government Reform


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

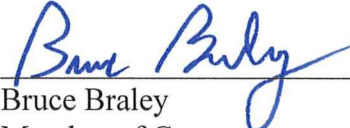

William Lacy Clay
Member of Congress


Stephen F. Lynch
Member of Congress

¹ Departments of Treasury and Housing and Urban Developments, *Home Affordable Modification Program* (Sept. 19, 2011) (online at www.makinghomeaffordable.gov/programs/lower-payments/Pages/hamp.aspx).



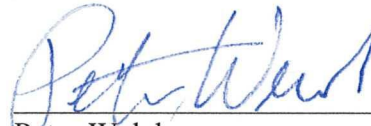
Danny K. Davis
Member of Congress



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