

# VALERI Servicer Newsflash

Friday, August 3, 2012

## **New Adequacy of Servicing (AOS) Question – Servicemembers Civil Relief Act (SCRA)**

In order to ensure VA loan borrowers receive appropriate relief under the Servicemembers Civil Relief Act (SCRA), VA will be incorporating a new question into the Adequacy of Servicing process, which we hope will provide information on how servicers are complying with the requirements of the Act.

This change will be implemented on AOS cases that open **on or after August 15, 2012**. VA technicians will evaluate responses to all AOS questions to determine whether servicing is adequate, and ensure these responses are fully documented in the case notes. We don't anticipate this new change to have a major impact on current procedures and workload.

### **ADDITIONAL AOS QUESTION:**

AOS Question #5: From review of available information, is there any indication the borrower is potentially eligible for SCRA protection? If so, what SCRA protections are being offered the borrower?

To be considered **potentially eligible**, the loan must have originated prior to the military member's current period of active military service.

To be **eligible** for the SCRA protection, the following requirements must be met:

- A servicemember who was called to active duty.
- The servicemember's loan must have originated prior to his or her current period of active military service.
- Active duty military service significantly affects the servicemember's ability to make payments.
- The servicemember has provided the servicer with a written notice requesting relief and a copy of his or her military orders within 180 days of release from Service.

If VA technicians were not able to determine a response from the servicing notes you provided, they will follow up to confirm whether the borrower IS/IS NOT eligible for SCRA protection. If you responded NO to the SCRA question, then protections are not applicable. If the Defense Manpower and Data Center (DMDC) web site <https://www.dmdc.osd.mil/appj/scra/scraHome.doc> shows that the borrower was in service at the time the loan was made, we ask that you provide that information to VA, as well as any other relevant information, such as if the site shows the borrower was called to active duty after the loan originated and if you are considering the loan for interest rate reduction and/or foreclosure postponement. Please also indicate whether the borrower has provided you with a written notice requesting relief under SCRA and a copy of his or her military orders.

The Department of Veterans Affairs (VA) is not charged with enforcement of the Act, as that is delegated to any court of competent jurisdiction of the United States or of any State. However, VA expects every servicer of VA-guaranteed loans to diligently follow all requirements of the Act to provide its benefits to all eligible borrowers. VA appreciates the service you provide to our Veterans and Servicemembers on a daily basis, and for adhering to VA's mission of assisting them with homeownership retention and foreclosure avoidance.