

FORECLOSURE



JOINT BASE ANDREWS LAW CENTER

Current as of May 2016

This handout provides useful information to assist service members with issues related to foreclosures.

WHO ARE THE NEW LANDLORDS OF FORECLOSED PROPERTIES?

When an owner defaults on a mortgage, the mortgage holder, often a bank, either becomes the new owner or sells the property at a public sale. If the bank becomes the owner, it may pay a servicing company to handle the property. These companies are focused on financial matters, not mundane things like maintenance.

PROTECTIONS UNDER THE SERVICEMEMBERS' CIVIL RELIEF ACT

Service members have basic protections as renters regardless of whether they are deployed. For example, landlords cannot evict active duty service members or their dependents from homes that they occupy as a primary residence without a valid court order. Getting such an order takes 30-60 days.

The law also has provisions that allow service members to delay court proceedings for evictions and other actions when their military service affects their ability to be present at the hearing. In some cases, courts must grant at least a 90-day delay, as long as the member meets the requirements.

HOUSING AND ECONOMIC RECOVERY ACT OF 2008

Under this law, service members who have to relocate from leased or rental housing because of foreclosure are entitled to transportation of their household goods. Please contact your local TMO office. This is ONLY for renters.

STEPS HOMEOWNERS CAN TAKE TO AVOID FORECLOSURE

- Do not ignore letters from your lender. The first notices you receive will provide you with useful foreclosure prevention options.
- Review your loan documents so that you are aware of what actions your lender can take if you do not make your payments.
- Review your finances and determine where you can cut spending in order to make your mortgage payments.
- Do not pay companies for foreclosure prevention help. These foreclosure prevention companies charge hefty fees. This money can be used to pay your mortgage instead.
- If you are facing foreclosure, contact your lender immediately to determine if your default can be cured by a plan.

ADDITIONAL INFORMATION

Military OneSource:
(800) 342-9647

Fairfax County Consumer Affairs Branch
(703) 222-8435

Public Justice Center (Maryland)
Educates, provides legal advice, offers representation to individuals and organized tenant groups
www.publicjustice.org
(410) 625-9409

Office of the Tenant Advocate (D.C.)
<http://ota.dc.gov/>
(202) 719-6560

HUD-Approved Housing Counseling Agency
Helps you understand the law and your options, organize your finances, and represent you in negotiations with your lender
(800) 569-4287

Departments of the Treasury & Housing and Urban Development initiative:
<http://www.makinghomeaffordable.gov>
(888) 995-4673