

# RESCINDED

Outdated – See OCC 2020-11

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## Servicemembers Civil Relief Act: Extension of Time Period for Certain Protections

### Summary

This bulletin informs national banks, federal savings associations, and federal branches and agencies of foreign banks (OCC-supervised institutions) of the temporary extension of certain protections under the Servicemembers Civil Relief Act (SCRA), enacted by the Foreclosure Relief and Extension for Servicemembers Act of 2014.

#### Note for Community Banks

This guidance is applicable to all OCC-supervised institutions that extend loans secured by a mortgage, trust deed, or other similar security to servicemembers.

### To

Chief Executive Officers and Compliance Officers of All National Banks, Federal Savings Associations, Federal Branches and Agencies, Department and Division Heads, All Examining Personnel, and Other Interested Parties

### Highlights

- The SCRA amendments continue temporary provisions that extend protections to servicemembers, under certain conditions, related to the sale, foreclosure, or seizure of mortgaged property, or the filing of a legal action to enforce a mortgage obligation or other similarly secured obligation, within one year following the servicemember's period of military service.
- The temporary extension expires on December 31, 2015.
- The U.S. Department of Housing and Urban Development (HUD) updated its Servicemembers Civil Relief Act Notice Disclosure to reflect the extensions.

### Background

SCRA section 303 addresses obligations secured by a mortgage, trust deed, or other security similar to a mortgage on real or personal property owned by a servicemember. The provision applies only to obligations that originated before the servicemember's military service and for which the servicemember is still obligated.

On December 18, 2014, President Obama signed into law the Foreclosure Relief and Extension for Servicemembers Act of 2014 (Pub. L. 113-286), which amends the SCRA. The amendment extended again, on a temporary basis, the duration of coverage applicable to the section 303 protections for obligations described above from nine months to one year after a servicemember's military service. (See OCC Bulletin 2012-37, "Servicemembers Civil Relief Act: Extension of Time Period for Certain Protections.")

The temporary extension provides

- a sale, foreclosure, or seizure of property based on a breach of such a secured obligation is not valid if made during the period of military service or within one year thereafter, unless it is made pursuant to a court order or a waiver by the servicemember; and
- a court may, on its own motion, and shall, upon application by a servicemember whose ability to comply with the obligation is materially affected by military service, stay the proceedings or adjust the obligation to preserve the interests of all parties at any time during the period of military service or within one year thereafter.

This extension ends December 31, 2015. Unless Congress enacts another extension, beginning January 1, 2016, there will be a period of 90 days after the end of the servicemember's military service during which a foreclosure, sale, or seizure of the servicemember's property based on a breach of a mortgage, trust deed, or other security, without a court order or waiver, will not be valid. During this period, a court may also stay proceedings enforcing such obligations.

HUD requires lenders to send a notice of servicemembers' rights to residential borrowers within 45 days from the date the missed payment was due unless the borrower pays the past-due amount before the expiration of the 45-day period. The contents of the notice are prescribed in HUD's Servicemembers Civil Relief Act Notice Disclosure (Form 92070). HUD has recently updated Form 92070.

### Further Information

Please contact the Compliance Policy Division at (202) 649-5470, your supervisory office, or the Community and Consumer Law Division at (202) 649-6350.

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### Related Link

- [Foreclosure Relief and Extension for Servicemembers Act of 2014 \(PDF\)](#)