

## **Bank of America Introduces Program to Extend Mortgage Protections for Service Members Beyond Active Duty**

Unique Program Includes Interest Rate Reductions, Targeted Principal Forgiveness, and Dedicated Mortgage Servicing Team to Assist Military Customers

Bank of America today announced programs for its mortgage customers serving in the United States military, improving key benefits for those on active duty and extending mortgage protections for military service members beyond active duty. The newly introduced programs include a principal forgiveness loan modification program for military borrowers behind on their payments when leaving active duty; a reduced 4-percent interest rate on mortgages for customers who are eligible for Service members Civil Relief Act (SCRA) protection; and a mortgage customer service unit dedicated to servicing military customers.

"Our new Military Loan Modification Program builds on our long-standing commitment to the United States military forces and will help address the heavy burden of financial matters at home that can weigh on those who are protecting our freedoms," said Terry Laughlin, executive vice president for Bank of America. "Military men and women face extraordinary circumstances, and they make unique sacrifices for all of us. For these reasons, we want this combination of tools to address their needs and help them when they need it most."

Bank of America's Military Loan Modification Program goes above and beyond existing programs to assist military customers who are leaving active duty domestically or abroad and are struggling to afford their mortgage payment. The program builds on the government's Home Affordable Modification Program (HAMP) and provides a waterfall of solutions starting with principal reduction measures to help customers achieve a more affordable mortgage payment as set forth in the HAMP guidelines:

- First, immediate principal forgiveness to reduce the amounts owed related to their mortgage to as low as 100 percent of the current market value,
- Then, as needed, a reduction of the interest rate, and subsequent extension of the term of the loan to help customers achieve a more affordable mortgage payment.

Beginning April 1, 2011, Bank of America will also offer a 4-percent interest rate on mortgages for active duty military personnel while they are under Service members Civil Relief Act (SCRA) protection. This is lower than the 6-percent rate required by SCRA guidelines. The 4-percent rate will be applicable for the duration of the borrowers' active duty and for 12 months after release. Bank of America initially will offer the specialized loan modification program and reduced interest rate to distressed military customers with loans owned and serviced by the bank. The bank is engaged in conversations with investors in other mortgages it services in the interest of expanding these benefits to all the military customers. Participation by those investors is subject to their approval.

“We recognize the complexity and special considerations of serving customers who are in the military and we are committed to working with the Department of Defense and other stakeholders to help service members who are currently in or exiting active duty and in need of mortgage relief,” said Laughlin.

Bank of America previously announced it has established a dedicated customer service team for military customers within its mortgage servicing unit. This unit provides service members who have Bank of America mortgages with a single team to contact for assistance with questions or needs related to the bank’s full range of mortgage options and related SCRA benefits. The unit is staffed by associates with specialized training and detailed knowledge of SCRA policies and guidelines. Service members with Bank of America mortgages may reach the dedicated customer service unit at 888-325-5357.

This message has gone out to the email addresses provided by all active Counseling agencies in HUD’s Housing Counseling Program. Nevertheless, all Parent Agencies should make sure their sub-agencies have received this information. Please direct questions or comments to your respective HUD point of contact or email [Housing.Counseling@hud.gov](mailto:Housing.Counseling@hud.gov) by directly responding to this email addressee.

Sincerely,

Ruth Román

Director, Program Support Division

Office of Single Family Housing

Department of Housing and Urban Development