

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Agencies Issue Guidance Concerning Mortgage Servicing Practices That Impact Servicemembers

The Federal Reserve Board on June 21, 2012 joined with four other financial regulatory agencies in issuing guidance concerning mortgage servicing practices that may pose risks to homeowners serving in the military.

Specifically, the guidance addresses risks related to military homeowners who have informed their loan servicer that they have received Permanent Change of Station (PCS) orders and who might seek assistance with their mortgage loans.

For military homeowners, receiving PCS orders to relocate to a new duty station can present challenges when they are unable to sell their homes to pay off the mortgage debt. The guidance reminds mortgage loan servicers that their employees should be adequately trained about the options available for assisting military homeowners with PCS orders. When homeowners notify their servicers that they have received PCS orders, servicers should provide accurate, clear, and readily understandable information about available options for which the homeowner may qualify based on the information known. Servicers also should communicate decisions on assistance requests in a timely manner.

The guidance, which is attached, is consistent with the Servicemembers Civil Relief Act and with guidance and examination procedures previously issued by the Federal Reserve regarding working with homeowners who are financially unable to continue meeting their mortgage payments.

Joining in the guidance are the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853

Attachment: [Interagency Guidance on Mortgage Servicing Practices \(PDF\)](#)