

Senator Sheldon Whitehouse

Senator Sheldon Whitehouse
Hearing: Legislation Pending Before the Veterans' Affairs Committee
In Support of the Protecting Servicemembers from Mortgage Abuses Act
June 8, 2011

Chairman Murray, Ranking Member Burr, Members of the Committee,

Thank you for the opportunity to speak about legislation I authored to improve protection for military families from losing their homes through wrongful foreclosure.

While operations in Iraq, Afghanistan, and around the world have put tremendous demands on our brave men and women in uniform, lenders have repeatedly disregarded the laws that are designed to protect servicemembers and their families from losing their homes when they deploy.

Last month, the Department of Justice announced a \$22 million settlement with lenders that violated the Servicemembers Civil Relief Act and wrongfully foreclosed on as many as 175 servicemembers. In addition, thousands of military families have been overcharged on their mortgages.

We have all heard horror stories from home about how some financial institutions have treated homeowners in distress. When these abusive mortgage practices harm the men and women we send in harm's way to protect our country, it deserves our attention. Not only are these practices illegal and morally repugnant, they can also be a dangerous distraction from our military mission.

Returning servicemembers have also been hit particularly hard by the current economic downturn. As the Committee knows, in 2010, the unemployment rate for these veterans averaged 11.5 percent, compared to a 9.4 percent national rate. Furthermore, according to a recent comprehensive report on veteran homelessness, veterans are 50 percent more likely to become homeless than other Americans.

These troubling statistics underscore how difficult it can be to readjust to life at home. For our returning servicemembers that need time to get back on solid financial footing, we should do everything we can to accommodate their needs, especially during these difficult economic times.

To better protect our men and women in uniform, I've introduced the Protecting Servicemembers from Mortgage Abuses Act, cosponsored by Senator Baucus, Senator Blumenthal, Senator Boxer, Senator Durbin, Senator Feinstein, Senator Hagan, Senator Lautenberg, Senator Leahy, Senator Merkley, Senator Mikulski, Senator Nelson of Florida, Senator Pryor, Senator Reed of Rhode Island, Senator Sanders, and Senator Tester. This bill would double the maximum criminal and civil penalties for violations of current foreclosure and eviction protections. It would also extend and make permanent the period of foreclosure protection coverage after military service has ended.

Under current law, servicemembers have 9 months of foreclosure protection after military service. However, this provision is due to expire on December 31, 2012. Then, servicemembers will only get 90 days of foreclosure protections. My bill would permanently extend the period of foreclosure protection beyond 9 months.

I hope Senators on both sides of the aisle will come together and join me in supporting this legislation.

Thank you again for the opportunity to speak on this important issue. I look forward to working with Chairman Murray, Ranking Member Burr and other members of this committee to pass this important bill, which I believe will discourage loan servicers from further violations and help to protect the financial and emotional well-being of our military families.