To amend the Servicemembers Civil Relief Act to ensure that relocation of a servicemember to serve on active duty away from the servicemember’s principal residence does not prevent the servicemember from refinancing a mortgage on that principal residence.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2012

Mr. HUNTER (for himself, Mr. WEST, Mrs. DAVIS of California, Mr. RIGELL, Mr. LARSEN of Washington, Mr. RYAN of Ohio, Mr. WITTMAN, Mr. TURNER of Ohio, Mr. HEINRICH, and Mr. CARTER) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend the Servicemembers Civil Relief Act to ensure that relocation of a servicemember to serve on active duty away from the servicemember’s principal residence does not prevent the servicemember from refinancing a mortgage on that principal residence.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Fairness for Military Homeowners Act of 2012”.
SEC. 2. AMENDMENT TO SERVICEMEMBERS CIVIL RELIEF ACT.

(a) In General.—Title III of the Servicemembers Civil Relief Act (50 U.S.C. App. 531 et seq.) is amended by inserting after section 303 the following new section:

“SEC. 303A. TREATMENT OF RELOCATION FOR ACTIVE DUTY FOR PURPOSES OF MORTGAGE REFINANCING.

“(a) Treatment of Absence From Residence Due to Active Duty.—

“(1) In General.—Subject to paragraph (2), if, at any time that a servicemember who is the mortgagor under an existing mortgage does not reside in the residence that secures the existing mortgage because of relocation described in subsection (b)(1)(B), such servicemember inquires about or applies for a covered refinancing mortgage, such servicemember shall be considered, for all purposes relating to the covered refinancing mortgage, including such inquiry or application and eligibility for and compliance with any underwriting criteria and standards regarding such covered refinancing mortgage, to occupy the residence that secures the existing mortgage to be paid or prepaid by such covered refinancing mortgage as the principal residence of...
the servicemember during the period of any such re-
location.

“(2) LIMITATION.—Paragraph (1) shall not
apply with respect to a servicemember at any time
if, during the 5-year period preceding such time, the
servicemember entered into a covered refinancing
mortgage pursuant to this section.

“(b) DEFINITIONS.—In this section:

“(1) EXISTING MORTGAGE.—The term ‘existing
mortgage’ means a mortgage that is secured by a 1-
to 4-family residence, including a condominium or a
share in a cooperative ownership housing associa-
tion, that was the principal residence of a service-
member for a period that—

“(A) had a duration of 13 consecutive
months or longer; and

“(B) ended upon the relocation of the serv-
icemember caused by the servicemember receiv-
ing military orders for a permanent change of
station or to deploy with a military unit, or as
an individual in support of a military operation,
for a period of not less than 18 months that did
not allow the servicemember to continue to oc-
cupy such residence as a principal residence.
“(2) COVERED REFINANCING MORTGAGE.—The term ‘covered refinancing mortgage’ means any mortgage—

“(A) that is made for the purpose of paying or prepaying, and extinguishing, the outstanding obligations under an existing mortgage or mortgages; and

“(B) that is secured by the same residence that secured such existing mortgage or mortgages.”.

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting after the item relating to section 305 the following new item:

“Sec. 303A. Treatment of relocation for active duty for purposes of mortgage refinancing.”.