

112TH CONGRESS
2D SESSION

H. R. 4740

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Fairness for Military
5 Homeowners Act of 2012".

1 **SEC. 2. AMENDMENT TO SERVICEMEMBERS CIVIL RELIEF**
2 **ACT.**

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

6 **“SEC. 303A. TREATMENT OF RELOCATION FOR ACTIVE**
7 **DUTY FOR PURPOSES OF MORTGAGE REFI-**
8 **NANCING.**

9 “(a) TREATMENT OF ABSENCE FROM RESIDENCE
10 DUE TO ACTIVE DUTY.—

11 “(1) IN GENERAL.—Subject to paragraph (2),
12 if, at any time that a servicemember who is the
13 mortgagor under an existing mortgage does not re-
14 side in the residence that secures the existing mort-
15 gage because of relocation described in subsection
16 (b)(1)(B), such servicemember inquires about or ap-
17 plies for a covered refinancing mortgage, such serv-
18 icemember shall be considered, for all purposes relat-
19 ing to the covered refinancing mortgage, including
20 such inquiry or application and eligibility for and
21 compliance with any underwriting criteria and
22 standards regarding such covered refinancing mort-
23 gage, to occupy the residence that secures the exist-
24 ing mortgage to be paid or prepaid by such covered
25 refinancing mortgage as the principal residence of

1 the servicemember during the period of any such re-
2 location.

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

8 “(b) DEFINITIONS.—In this section:

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

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

17 “(B) ended upon the relocation of the serv-
18 icemember caused by the servicemember receiv-
19 ing military orders for a permanent change of
20 station or to deploy with a military unit, or as
21 an individual in support of a military operation,
22 for a period of not less than 18 months that did
23 not allow the servicemember to continue to oc-
24 cupy such residence as a principal residence.

1 “(2) COVERED REFINANCING MORTGAGE.—The
2 term ‘covered refinancing mortgage’ means any
3 mortgage—

4 “(A) that is made for the purpose of pay-
5 ing or prepaying, and extinguishing, the out-
6 standing obligations under an existing mortgage
7 or mortgages; and

8 “(B) that is secured by the same residence
9 that secured such existing mortgage or mort-
10 gages.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 for such Act is amended by inserting after the item relat-
13 ing to section 305 the following new item:

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

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