

# From the Office of the Comptroller of the Currency

Subject: Servicemembers Civil Relief Act

Date: November 19, 2012

To: Chief Executive Officers of All National Banks, Federal Branches and Agencies, and Federal Savings Associations; Department and Division Heads; All Examining Personnel; and Other Interested Parties

## Description: Extension of Time Period for Certain Protections

On August 6, 2012, President Obama signed into law the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012, Pub. L. 112-154, 126 Stat. 1165 (2012). Section 710 of the act amended section 303 of the Servicemembers Civil Relief Act (SCRA), 50 USC app. 533.

SCRA section 303 addresses obligations secured by a mortgage, trust deed, or other security similar to a mortgage on real or personal property owned by a servicemember. The provision applies only to obligations that originated before the servicemember's military service and for which the servicemember is still obligated. The recent amendment extended, on a temporary basis, the period during which certain SCRA protections apply.

Effective February 2, 2013<sup>1</sup> (180 days after enactment),

- a sale, foreclosure, or seizure of property based on a breach of such a secured obligation is not valid if made during the period of military service **or within one year thereafter**, unless it is made pursuant to a court order or a waiver by the servicemember; and
- a court may, on its own motion, and shall, upon application by a servicemember whose ability to comply with the obligation is materially affected by military service, stay the proceedings or adjust the obligation to preserve the interests of all parties at any time during the period of military service **or within one year thereafter**.

This extension ends December 31, 2014. Beginning January 1, 2015, there will be a period of 90 days after the end of the servicemember's military service during which a foreclosure, sale, or seizure of the servicemember's property based on a breach of a mortgage, trust deed, or other security, without a court order or waiver, will not be valid. During this period, a court may also stay proceedings enforcing such obligations.

### For Further Information

If you have questions or comments regarding this bulletin, please contact the appropriate supervisory office; the Community and Consumer Law Division, (202) 874-5750; or the Compliance Policy Division, (202) 874-4428.

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