CERTIFIED MILITARY HOME SPECIALIST COURSE
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2009
2012
2013
2014

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“Everyone who provides real estate, finance and housing counseling services to military personnel and their families should have the skills and training to provide them the best service possible.”
COURSE SYLLABUS

INTRODUCTION
- Welcome
- Boots Across America
- Where Are YOUR Boots Going?
- What Do We Know??

SECTION 1: KNOW YOUR MILITARY
Because freedom isn’t free
- Section Objectives
- Five Branches Of Military Service
- Reserve Components
- What Did We Learn?

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- What Did We Learn?

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- What Did We Learn?

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- SCRA Checklist
- “Your Rights Under USERRA” Poster
- Press release language

A VETERAN:

Whether active duty, retired, national guard, or reserve, is someone who, at one point in his or her life, wrote a blank check made payable to 'The United States of America,' for an amount of: “Up to and including my life.”
WELCOME!

In addition to major military bases across the nation, our national guard and reserve units are everywhere. Today’s military personnel and their families live among us. They are our families, our parents, brothers and sisters. They are our neighbors, our friends, those we do business with each day. They are our communities and cities, indeed our nation. It is an honor to respect and serve those who devote their lives to protecting each and every one of us. Freedom isn’t free, and with the dedication of each and every one of us, the freedom this nation has always known will continue on for our children, grandchildren, their children, and theirs.

Thank you for joining us today to ensure the American way of life continues. For every home and family our servicemembers protect, we promise to give back to the best of our ability, providing the skilled housing services our military personnel have earned and deserve. Thank you for doing your part!

FORWARD

Boots Across America exists to help military personnel and their families by educating housing professionals how to work with them; by helping them and their spouses transition into sustainable jobs and by finding new ways to help provide for the families who support them.

The families who support our servicemembers make untold sacrifices of their own and deserve a hand up as well. Deployment leaves behind spouses with double responsibility that’s even heavier when children are involved. Boots Across America connects with other groups who hold events to connect these families with resources for individual and family enrichment whenever possible.

With the help of a strong network of professionals and volunteers across the nation, Boots Across America continually searches for ways to provide support to military personnel and their families through the inevitable fluctuations of economic and political climates.

We strive to update and educate the lenders, Realtors, housing counselors and other housing professionals who provide critical services to our military personnel everywhere. Armed with the skills necessary to put our servicemen and women into affordable and sustainable loans, these key professionals will help keep neighborhoods across the nation stable and viable.

Completion of the Certified Military Home Specialist course and subsequent certification by housing professionals is not something that military families will take lightly. They will look for your Certificate of Completion as a sign that you know how to help them become responsible homeowners. You’ll be able to give them the higher level of customer service they deserve and expect. By the time you complete your training, you will have a new perspective about the men and women who protect your freedom on a daily basis. You will see through their eyes and imagine what they feel.
As you work through the CMHS course, you'll become familiar with the lifestyle of military men and women and what it is they do each day. You may even understand why they choose to continue in their profession. Or you may wonder forever why they chose it.

ACKNOWLEDGMENTS

The Certified Military Home Specialist Course was developed and written by Beverly Ray Frase to update and expand her highly acclaimed original course from 2009. A former loan officer, real estate broker and career Army wife, Beverly understands what it takes to make the home buying process work from the industry side as well as the military standpoint. Funded by a grant from Freddie Mac, the course continues to provide the necessary skills to make sure expert housing professionals are available to help our military personnel and their families get the proper home loans for their particular situation. Maintainable mortgages help ensure communities remain stable and neighborhoods viable. The course continues to gather enthusiastic reviews from New York to Hawaii, as well as from course graduates at military bases all over the world.

As National Director for the Certified Military Home Specialist Program at Boots Across America, Beverly maintains contact with departments in Washington DC who share the latest developments to help her keep the course current through appropriate changes and updates as necessary. Her deep passion to help our military personnel and their families fuels her desire to forge ahead, doing everything possible to help our servicemembers acquire and maintain homes of their own.

Beverly and Boots Across America extend a special thanks to Mary Ann Pino, a mortgage industry professional and the daughter of a U.S. Navy Korean War Veteran, for her advice in the development, design and implementation of the classroom instructional materials. She has personally spread the word about Boots Across America and the CMHS Course across the nation. Her endless enthusiasm and commitment to our military servicemembers and their families is deeply appreciated.

COURSE DESCRIPTION

This Certified Military Home Specialist Course is designed to provide you as a participant with a comprehensive overview of the military including: an understanding of the military lifestyle, rank and language, pay and allowance categories of the military compensation system, disability and retirement benefits, special situations and their impact on entitlements, foreclosure prevention and housing assistance resources and various regulations which protect Servicemembers.

The course is divided into ten sections including an introduction. Topics covered include the military organizational structure of the five military branches; description of the responsibilities of each, including the reserve components; military rank and language, explanation of military pay for all services including how to navigate the Leave and Earning Statement, the factors that
affect military pay, various pay categories, typical deductions, tax-exempt pay, bonuses and savings plans, what happens to pay if a Servicemember is injured, a description of the financial and advocacy support services that are available in case a financial hardship should develop including foreclosure prevention, modification or exit strategy, and an overview of the Servicemembers Civil Relief Act and the Uniform Services Employment and Reemployment Rights Act which offer job protections to Servicemembers.

COURSE OBJECTIVES

At the end of this course you should be able to:

Understand the military lifestyle and differentiate between the various branches of service and responsibilities of each;

Recognize all ranks and services and be familiar with military language and its acronyms;

Understand how to read the Leave and Earning Statement and be familiar with all factors that affect military pay;

Describe the role of the Defense Finance and Accounting Service and its responsibility;

Understand the “Special Situations” and what happens to a servicemember’s entitlements when injured;

Identify foreclosure prevention and housing assistance resources for military borrowers

Understand the Service Members Civil Relief Act and the Uniformed Services Employment and Re-employment Rights Act and their purpose
Understand the USA Cares Military Housing Education Program including participation requirements, Standards of Practice and benefits

Understand the purpose and guidelines of USERRA, Uniformed Services Employment and Reemployment Act.

Understand VA lending.

Be familiar with mortgage loan modifications and exit strategies.

How to market your expert abilities to work with the underserved niche military market.

Where to find more resources.
· What happens when a Servicemember gets injured and can't work?
· What if they need to have long-term treatment or rehab?
· What if they're never able to return to work again?
· How do they get paid for all these different scenarios?
· Are there any special laws that exist to protect Servicemembers?
· What resources are available to Servicemembers to help them maintain homeownership?

The Certified Military Home Specialist course will teach you about all that and more.
WHO AMONG US HAS SERVED OUR COUNTRY? THANK YOU!

WHAT DO WE KNOW?

1. Improvised Explosive Device
2. Federal Government Sponsored Retirement, Savings & investment plan
3. Protection to Service Members
4. LES
5. Title 32 Orders
6. Largest Military Branch of Service
7. BAH
8. Determines status & authority
9. Term used for personnel & pay functions
10. Responsible for paying America’s Servicemembers
11. Boots Across America
“137 years later, Memorial Day remains one of America’s most cherished patriotic observances. The spirit of this day has not changed - it remains a day to honor those who died defending our freedom and democracy.”

Doc Hastings

SECTION 1: KNOW YOUR MILITARY

Because freedom isn’t free

- Section Objectives
- Five Branches Of Military Service
- Reserve Components
- WHAT HAVE WE LEARNED?

There are five military branches:
1. The Army
2. Air Force
3. Navy
4. Marine Corps
5. Coast Guard

Unlike the other four branches, the Coast Guard does not fall under the Department of Defense, but the Department of Homeland Security. However, the Coast Guard is considered a military service because, during times of war or conflict, the President of the United States can transfer any or all assets of the Coast Guard to the Department of the Navy. In fact, this has been done in almost every single conflict that the United States has ever been involved in.

So, what are the different functions of the five branches of the military?
The United States Army is the main ground-force of the United States. The Army's main function is to protect and defend the United States (and its interests) by way of ground troops, armor (tanks), artillery, attack helicopters, tactical nuclear weapons, etc.

The Army is supported by two Reserve Forces which can be tapped for trained personnel and equipment during times of need: The Army Reserves and the Army National Guard. The primary difference between the two is that the Reserves are owned and managed by the federal government, and each state owns its own National Guard. However, the President of the United States or the Secretary of Defense can activate state National Guard members into Federal military service during times of need.

AIR FORCE

On August 1, 1907, the U.S. Army Signal Corps formed an Aeronautical Division. This action came only three-and-a-half years after the Wright brothers flew the world's first powered airplane at Kitty Hawk, North Carolina. The Aeronautical Division accepted delivery of its first airplane from the Wright brothers in 1909. A small band of early Army Airmen experimented with various aircraft and formed an operational unit, the 1st Aero Squadron, in December 1913. World War II saw air power truly come of age in the skies above the European and Pacific theatres.

Today’s modern Air Force delivers global reach, global power and global engagement to defend and protect American citizens and allies anywhere, at any time.

NAVY

“Without a decisive naval force we can do nothing definitive.”-George Washington

The Department of the Navy was established on 30 April 1798. The role of America’s Navy is both vast and dependent upon circumstance. It involves everything from engaging in combat and warfare support, to keeping waterways safe and open for global commerce, to deterring sea piracy and drug trafficking. When called upon, it’s a force that readily answers the need for humanitarian assistance and disaster relief anywhere, anytime – to help American citizens of the world.

The U.S. Navy is the largest in the world; its battle fleet tonnage is greater than that of the next 13th largest combined.

“The road to success is not always a road!”
MARINES

The history of the United States Marine Corps begins with the founding of the Continental Marines in 1775 to conduct ship-to-ship fighting, provide shipboard security and assist in landing forces. Its mission evolved with changing military doctrine and foreign policy of the United States.

The United States Marine Corps has served in every conflict in U.S. history. Its ability to rapidly respond to regional crises has made and continues to make it an important tool for American foreign policy.

“Some people spend an entire lifetime wondering if they made a difference in the world. But the US Marines don’t have that problem.” -- Ronald Reagan, President of the United States; 1985

COAST GUARD

The Coast Guard is an organization that for more than two centuries has served proudly as one of our nation’s five military services. An average day includes saving 15 lives, assisting 114 people in distress, seizing $12.4 million worth of illegal drugs, conducting 122 security boardings and guiding 2,557 ships in and out of port.

Since 1970, the Coast Guard has been the law of the sea. Its five primary missions are: National Defense, Protection of Natural Resources, Maritime Security, Maritime Safety and Maritime Mobility. They also have a 35,000-person civilian volunteer branch called the Coast Guard Auxiliary. The Coast Guard is responsible for about 18,000 highway and railroad bridges that span navigable waterways throughout the U.S.

RESERVE COMPONENTS OF THE UNITED STATES ARMED FORCES

The reserve components of the United States armed forces are military organizations whose members, generally perform a minimum of 39 days of military duty per year and who augment the active duty (or full time) military when necessary. The reserve components are also referred to collectively as the Guard and Reserves.

Reserve Components
The eight reserve components of the U.S. military are:
1. Army Reserve
2. Navy Reserve
3. Marine Corps Reserve
4. Air Force Reserve
5. Coast Guard Reserve
6. Army National Guard of the United States
7. Air National Guard of the United States
8. United States Public Health Service Reserve Corps (*uniformed service, not an armed service)

The civilian auxiliaries of the U.S. military are not considered to be reserve components of the respective services but in time of war would assist the military:
1. Civil Air Patrol, auxiliary to the Air Force
2. Coast Guard Auxiliary, auxiliary to the Coast Guard
3. Merchant Marine, auxiliary to the Navy
4. Maritime Service, auxiliary to the Navy
5. Military Affiliate Radio System

During times of war, the Merchant Marine is classified as part of the uniformed services and members obtain veteran status.

General Information-Reserve Components
The reserve components are the embodiment of the American tradition of the citizen-soldier dating back to before the American Revolutionary War. They are regionally based and recruited (unlike their active duty counterparts) and, in the case of the Army and Air National Guard, are the organized state militias referred to in the U.S. Constitution. Members of the reserve components are generally required to perform, at a minimum, 39 days of military service per year.
This includes monthly drill weekends and fifteen days of annual training (giving rise to the old slogan "One weekend a month, two weeks a year").

While organized, trained, and equipped nearly the same as the active duty, the reserve components often have unique characteristics. This is especially true of the National Guard, which performs both federal and state missions. In addition, reserve components often operate under special laws, regulations, and policies.

The Army Reserve and Air Force Reserve are subordinated to the federal government while the National Guards are subordinated to the various state governments, except when called into federal service by the President of the United States or as provided for by law.

ARMY NATIONAL GUARD
Guard and Reserve
"Answering the Nation's Call for over 100 years."

In these days of reduced active duty forces, the National Guard and Reserves play an important part in keeping our military strong. The "Weekend Warriors" don't just work on weekends anymore.

The Army National Guard predates the founding of the nation and a standing military by almost a
century and a half, and is therefore the oldest component of the United States armed forces. America's first permanent militia regiments, among the oldest continuing units in history, were organized by the Massachusetts Bay Colony in 1636. Since that time, the Guard has participated in every U.S. conflict from the Pequot War of 1637 to our current deployments in support of Operation Enduring Freedom (OEF, Afghanistan) and Operation Iraqi Freedom (OIF, Iraq).

On April 23, 1908, a new component of the U.S. Army came into being with the creation of the Medical Reserve Corps, the Army's first federal reserve force. Today, that reserve force -- which numbered about 360 medical professionals one year after its creation -- is known as the U.S. Army Reserve, a specialized, complementary and skill-rich force of some 205,000 citizen-warriors.

Throughout its existence, Army Reserve Soldiers have answered the nation's call to serve during times of emergency, both in peace and in war.

AIR NATIONAL GUARD

The Air National Guard (ANG) is administered by the National Guard Bureau, a joint bureau of the departments of the Army and Air Force, located in the Pentagon, Washington, D.C.

The primary means of providing full-time support for ANG units is through use of dual-status military technicians, plus guardsmen on active duty. These full-time support personnel perform day-to-day management, administration and maintenance. By law, dual-status military technicians are civil service employees of the federal government who must be military members of the unit in which they are employed. They participate in training activities and are mobilized with the unit when it is ordered to active duty. Active duty members serve under the command authority of their respective state and territorial governors until mobilized, and are not a part of the worldwide pool of Air Force manpower until that time.

The ANG's state and federal mission is to provide trained, well-equipped men and women who can augment the active force during national emergencies or war, and provide assistance during natural disasters and civil disturbances.

STATE MISSION ("Title 32 Orders," in many instances, are supporting Homeland Security missions)

FEDERAL MISSION ("Title 10 Orders")

WARRIOR ETHIC

"I will always place the mission first.
I will never accept defeat.
I will never quit.
I will never leave a fallen comrade."
WHAT DO WE KNOW?

1. As a result of the National Security Act of 1947, there are five military branches: Army; Air Force; Navy; Marine Corps; Coast Guard.

2. The United States Army is the main ground-force of the United States military.

3. The Army is the largest U.S. Military Service.

4. The Air Force defends the nation's airspace and projects combat power in support of national tasking.

5. The U.S. Navy is the largest in the world; its battle fleet tonnage is greater than that of the next 13th largest combined.

6. The United States Marine Corps has served in every conflict in U.S. history.

7. The Coast Guard does not fall under the Department of Defense, but under the Department of Homeland Security.

8. The National Guard's -Title 32 Orders refer to a state mission; -Title 10 Orders refer to a Federal Mission.

9. During times of war, the Merchant Marine is classified as part of the uniformed services and members obtain veteran status.
SECTION 2: RANK.... It matters!

Section Two Objectives
1. Recognize ranks, all services
2. Look at "acronyms," the military language

Now that you know a little bit about the military services, let’s talk about how they recognize each other. Rank matters. It is integral to a soldier’s training that they obey orders instantly and without hesitation. Sometimes their lives depend on instant reactions and they must trust their leaders.

Three terms are important when discussing authority and responsibility in the military: rank, rate, and grade. A military member’s "rank" determines their status and authority in comparison to other military members. The Navy/Coast Guard calls it "rate," for enlisted sailors. The other services refer to it as "rank."

"Grade" is used for personnel and pay functions. Military personnel across the services receive the same base pay, based on their rank and time-in-service. But as the "ranks" are named differently in different services, to save confusion, "grade" is used. For example, the lowest enlisted rank in the Air Force is called "Airman Basic." That person is in the grade of E-1, and receives the same basic pay as an E-1 in the Army, who has the "rank" of "Private." An E-2 in the Air Force is termed "Airman." He/she is in the same pay grade as an E-2 in the Marine Corps, which is a "Private First Class." The "E-2" indicates they are one step above the lowest enlisted rank (E-1 is lowest, E-2 is next, E-3, E-4, etc., all the way up to E-9), no matter what their "rank" is called by their respective branch of service.

There are three general categories of rank/rate:

Enlisted personnel, Warrant Officers, and Commissioned Officers.

In general, commissioned officers are responsible for acting in staff and command positions in more of a general leadership role. Warrant officers, meanwhile, focus on becoming experts in their career fields and do not take on high-level planning responsibilities.

As the highest ranked members of the military, commissioned officers are required by all services to hold a bachelor’s degree. Warrant officers, meanwhile, need only a high school degree to be eligible for appointment because of their limited leadership role.

All commissioned officers "out-rank" all warrant officers and enlisted members. All warrant officers "outrank" all enlisted members. In other words, a brand new commissioned officer in the grade of O-1, would "out-rank" an older Army Sergeant Major, in the grade of E-9. However, any "newby" 2nd lieutenant who unnecessarily (and foolishly) "pulls rank" on the
more experienced E-9 will quickly learn from his/her “superior officer” (boss) what a bad idea that was!

Officers can be called “Sir” or “Ma’am,” especially if you aren’t sure of their rank. Warrant Officers are called “Mr.” or “Ms.” with their last names. Don’t call enlisted personnel “Sir.” Just don’t. You will be quickly and hotly corrected.
You don't need to learn all the ranks, but let's look at them. Use the rank charts for quick reference when you need them. To find the army rank charts, go to www.army.mil/symbols, and click on "Military Rankings". Find the others at www.airforce.com; www.marines.com; www.navy.com; www.coastguard.com.

US ARMY OFFICERS
Now that you know who they are, do you know what they're saying?

LET'S SPEAK MILITARY!

With a liberal use of acronyms, military branches have created their own short-form language to accelerate conversations. Some are used across the board and understood among all services, but some are service specific. Short of serving time in the military, working for the government or growing up as a "service brat," this unique language seems about as understandable as aliens. But spend a few minutes with an "acronym chart" and it's easy to settle in with terms like PCS, or Permanent Change of Station, which most military families do every two to three years. Things like BAH (Basic Allowance for Housing) and EB (Enlistment Bonus) are clearly identified blocks on the Leave and Earning Statement (LES), clearing the way to quickly and easily prequalify a military borrower.

The following acronym list is your "cheat sheet" for the most commonly used acronyms you're likely to see, since you don't need to learn them all.

If you come across one that you aren't familiar with and it's not on your list, you can check with the DFAS site for more. Their 64-page list is comprehensive. Find it on your Resource Sheet at the end of your course or use this link, http://www.dfas.mil/more/referencelibrary/acronyms.pdf.

MILITARY SERVICE ACRONYMS

A
AAFES - Army & Air Force Exchange Service (shopping center)
ACS - Army Community Services
AD - Active Duty
ADME - Active Duty Medical Exception
ADSW - Active Duty Special Work (temp jobs through Guard Unit)
AER - Army Emergency Relief (provides emergency loans that must be repaid)
AFA - Air Force Aid Society
AFAP - Army Family Action Plan
AFTB - Army Family Team Building
AG - Adjutant General (Army Post Representative)
AGR - Active Guard Reserve
AIT - Advanced Individual Training (follows Basic Training)
ANG - Air National Guard

B
B & A - Bond and Allotment
BAH - Basic Allowance for Housing, based on duty station
BAS - Basic Allowance for Subsistence
BDE - Brigade
BNCO - Basic Non-Commissioned Officer Training
BRAC - Base Closure Realignment
BT - Basic Training
BN – Battalion

C
CAEB - Combat Arms Enlistment Bonus
CARSEA - Career Sea Pay
CFC - Combined Federal Campaign
CGSC - Command General Staff College (Joint military school in KS)
CID - Central Intelligence Division (Military equivalent of FBI)
CIP - Casualty Incentive Pay (Wounded Service member's compensation for loss of War Zone Specialty Pays when hospitalized; also called “Casual Pay”)
CMA - Clothing Maintenance Allowance
CO - Commanding Officer (Army)
COLA - Cost of Living Allowance
CONUS - Continental United States
CRDP - Concurrent Retirement & Disability Pay
CRSC - Combat Related Special Compensation
CSD - Combat Stress Disorder

D
DD214 - Department of Defense Discharge form — Download SF Form 180 at www.archives.gov, Veterans Service Records tab; read instructions for submission to proper region
DEERS - Defense Enrollment and Eligibility Reference System
DFAS - Defense Finance & Accounting Service
DMDC – Defense Manpower Data Center,
DIEMS - Date Initially Entered Military Service
DLA - Dislocation Allowance
DOD - Department of Defense
DPS - Deployed Pay System
DSP - Disability Severance Pay

E
EB - Enlistment Bonus
EED - Electro-Explosive Devices
EFMP - Exceptional Family Member Program (Army Special Needs Program)
ETS - Estimated Time of Separation or Expiration Term of Service -- Estimated time of discharge from service; same as EAOS – Expiration of Active Obligated Service. Most often called “ETS.”

F
FAC - Family Assistance Center
FAP - Family Advocacy Program
FFAC - Fleet and Family Assistance Center (Navy)
FMLA - Family Medical Leave Act
FOUO - For Official Use Only
FRC - Family Resource Center
FRG - Family Readiness Group
FRH - Family Resource Hub
FSA - Family Separation Allowance

G
GRD - Guard
GS - Government Services
GWOT - Global War on Terror

H
HA - Housing Allowance
HDP – Hardship Duty Pay or Hazardous Duty Pay
HDR – Home of Record/Residence (home state)
HE - Housing Expense
HFP - Hostile Fire Pay/Imminent Danger Pay
HQ - Headquarters

I
IA - Involuntary Allotment
ICU - Intensive Care Unit
IED - Improvised Explosive Device, found in war zone
IET - Initial Entry Training (same term used to describe basic training)
IG - Inspector General
IHA - Interim Housing Allowance
Inactive Reserve/Guard - not drilling (not meeting for trainings)

J
JAG - Judge Advocate General (military legal department)

L
LES - Leave and Earning Statement (military pay receipt)
LOD - Line of Duty
LSL - Lump Sum Leave

M
Med Hold - Medical Hold (pending release from service)
MOS/NEC - Military Occupational Specialty/Navy Enlisted Qualification
MP - Military Police

O
OCONUS – Outside “continental United States
OEF - Operation Enduring Freedom (Afghanistan)
OIF - Operation Iraqi Freedom (Iraq)
OHA - Overseas Housing Allowance

P
PAC - Pay and Continuation Allowance
PCS - Permanent Change of Station
PD – Pay Date, or PEBD – Pay Entry Base Date, date entered Active Duty for pay purposes
PTSD - Post Traumatic Stress Disorder (an "unseen" injury)

R
Reservist - Drilling (meeting regularly for weekend trainings): Inactive Reserve/Guard – Not drilling (not meeting for trainings)

S
SCRA - Servicemembers Civil Relief Act
SGLI - Service Members Group Life Insurance, not mandatory; TSGLI - Traumatic SM Group Life Ins (automatically goes with SGLI): Pays benefit from $25,000 - $100,000 depending on severity of loss from traumatic injury. For more info, www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm or contact the Office of SGLI @ 800-419-1473.

T
TBI - Traumatic Brain Injury (an "unseen" injury)
TDRL/PDRL - Temporary Disability Retirement Leave/Permanent Disability Retirement Leave
TDY - Temporary Duty; TCS – Temporary Change of Station
TLA - Temporary Lodging Allowance
Title 10 Orders - Federal Orders Title
32 Orders - State Orders
TSP - Thrift Savings Plan, Federal government-sponsored retirement savings & investment plan

U
USARECC – US Army Recruiting Command
USERRA – Uniformed Services Employment and Re-employment Act

V
VMLI - Veteran's Mortgage Life Insurance.
Most recipients of a Special Housing Adaptation (SHA) Grant are eligible for VMLI, covering the unpaid principal, (not to exceed $90,000) on the mortgage loan; Veterans and SM age 69 years
and younger at issue.
VGLI – Veteran’s Group Life Insurance
VOE- Verification of Employment (download forms at www.dfas.mil and call DFAS 411)

W
WTU - Warrior Transition Unit
WW - Wounded Warrior

X
XO - Executive Officer

WHAT DO WE KNOW?

1. There are three general categories of rank/rate: Enlisted personnel, Warrant Officers, and Commissioned Officers.

2. "Grade" is used for personnel and pay functions

3. JAG - Judge Advocate General refers to the military legal department

4. The military pay receipt is known as the LES - Leave and Earning Statement

5. WTU refers to "Warrior Transition Unit."

6. IED is an Improvised Explosive Device, found in war zone.

7. TBI (Traumatic Brain Injury) and PTSD (Post Traumatic Stress Disorder) are examples of unseen injuries.

8. Department of Defense Discharge form is DD214.

9. ETS is Estimated Time of Separation (date of discharge)

10. SGLI is Service Members Group Life Insurance.

11. How do you do a VOE on a military service member?

   Download forms at http://www.dfas.mil/; Call DFAS 411

12. Which branch of service has no Warrant Officers?
   Air Force

13. USERRA is the Uniformed Services Employment & Re-employment Act
SECTION 3: OVER 70 DIFFERENT PAY CATEGORIES

Section Three Objectives

1. Become familiar with military pay, all services

2. Learn how to read the LES, Leave and Earning Statement

3. Understand factors that affect military pay

4. Understand various pay categories

5. Look at typical Deductions and Collections

6. Look at Tax-Exempt Pay

7. Look at Reenlistment/Extension Bonuses

8. Look at Thrift Savings Plan

9. Who can help with pay questions

MILITARY PAY, ALL SERVICES

Leave and Earning Statements (LES) will vary some between the services, but are similar enough that we will just use the Army LES for course purposes.

The Defense Finance and Accounting Service (DFAS), takes the responsibility of watching over America's servicemembers' payroll matters. As the agency responsible for paying America's service members, the employees of DFAS strive to deliver the best payroll services possible for the people who deserve it most. For Military Pay customer service, contact 1-888-332-7411.

DFAS customers serve around the world, often in harm's way, performing missions that are critical to national security. Every day these customers rely on DFAS to deliver pay and entitlements to satisfy their basic needs and the needs of their families.

The Leave and Earning Statement (LES) is a comprehensive statement which shows the service member's leave and earnings for the month. The LES is divided into three major areas: Entitlement, Deductions and Allotments.

The service member has the option of receiving his or her pay one or two times a month. If they select to receive their pay twice a month they will receive an "Advice of Payment" (AOP). The
AOP provided the service member a brief view of their semi-monthly pay on the 15th of each month. The service member will then receive an End-of-the-month (EOM) LES statement capturing all the monthly entitlements, deductions, allotments and any appropriate details.

The LES also records and maintains the service members leave information, tax withholding information, and Thrift Saving Plan (TSP) Information. Active duty service members are able to go on myPay and request copies of their LES for the past 12 months.

Reserve and National Guard can request copies for the past 3 months. The most recent LES can be found 24 hours a day on myPay. Service members may also go into their servicing finance office and request a copy of their LES.

If members receive Career Sea Pay, the Sea Service Counter will still be displayed in the remark portion of the LES. The LES remains one page in length.

To do a VOE for a military service member, download forms at http://www.dfas.mil/ and call DFAS 411 at 888-332-7411.

Compensation categories are no more difficult than rank and acronyms once they are broken down and explained, and lenders can quickly attain the comfort level necessary to deliver expert service for that segment of their business.

Over 70 types of pay and allowances make up the military compensation system, and it takes an enormous process to keep it all in place. While service personnel carry out their duties around the world in missions critical to national security, the Defense Finance and Accounting Service (DFAS) maintains balance over their payroll matters. Servicemembers and their families rely on DFAS each and every day to compute the correct pay and entitlements in order to meet their basic needs. Distractions detract from mission readiness, and the diligent compliance of DFAS to every service branch and service member means better concentration on the job at hand for that service man or woman.

Everything you need to know from Basic Pay, to special pay and allowances (even retired pay) can be found on the website of DFAS, http://www.dfas.mil/. There's a hotline for questions, or "DFAS 411:" 888-332-7411.

If you don't find the answers to your questions via their website or FAQs, Loan Officers may call DFAS 411 for help. Be prepared to answer some pertinent information about your client to prove your working relationship with them. At this time there is no required signed disclosure.

The next page is an LES, followed by an overview of the complete LES and the respective fields. You'll notice important categories are grouped together with their totals, making it easy to note only the categories you will need to calculate your maximum loan amount. This is a good page to note for quick reference. Following that, we'll look at other categories you might encounter.
<table>
<thead>
<tr>
<th>DEFENSE FINANCE AND ACCOUNTING SERVICE</th>
<th>MILITARY LEAVE AND EARNINGS STATEMENT</th>
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<td>NAME (LAST, FIRST, MD)</td>
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www.dfas.mil
MILITARY LEAVE AND EARNINGS STATEMENT

QUICK REFERENCE, Fields 1-78
To find the LES chart, go to http://www.dfas.mil/, click on "Military Pay Home" (across the top) then "Military Pay" and click the Army logo. See "Understanding Your Military Pay" and click "Reading Your LES".

Fields 1 - 9: Identification Portion

Fields 10 - 24: Entitlements, Deductions, Allotments & their respective totals; Math Summary portion; Date Initially Entered Military Service (DIEMS); and Retirement Plan – Look for “Special Pays” here! Call DFAS 411 to verify length of this pay continuation.

Fields 25 - 32: Leave Information

Fields 33 - 38: Federal Tax withholding information

Fields 39 - 43: FICA info (Federal Insurance Contributions Act)

Fields 44 - 49: State Tax information

Fields 50 - 62: Additional Pay Data

Fields 63 - 75: Thrift Savings Plan (TSP) information and data

Field 76: Remarks within the "Entitlements," "Deductions," and "Allotments" fields

Field 77: YTD Entitlements       Field 78: YTD Deductions
MILITARY LEAVE AND EARNINGS STATEMENT, EXPLAINED

Fields 1-9 contain the identification portion of the LES.

· 1 NAME: The member’s name in last, first, middle initial format.

· 2 SOC. SEC. NO.: The member’s Social Security Number.

· 3 GRADE: The member’s current pay grade.

· 4 PAY DATE: The date the member entered active duty for pay purposes in YYMMDD format. This is synonymous with Pay Entry Base Date, PEBD.

· 5 YRS SVC: In two digits, the actual years of creditable service.

· 6 ETS: The Expiration Term of Service in YYMMDD format. This is synonymous with the Expiration of Active Obligated Service (EAOS).

· 7 BRANCH: The branch of service, i.e., Navy, Army, Air Force.

· 8 ADSN/DSSN: The Disbursing Station Symbol Number used to identify each disbursing/finance office.

· 9 PERIOD COVERED: This period covered by the individual LES. Normally it will be for one calendar month. If this is a separation LES, the separation date will appear in this field.

Fields 10 through 24 contain the entitlements, deductions, allotments, their respective totals, a mathematical summary portion, date initially entered military service, and retirement plan.

· 10 ENTITLEMENTS: In columnar style the names of the entitlements and allowances being paid. Space is allocated for fifteen entitlements and/or allowances. If more than fifteen are present the overflow will be printed in the remarks block. Any retroactive entitlements and/or allowances will be added to like entitlements and/or allowances.

· 11 DEDUCTIONS: The description of the deductions are listed in columnar style. This includes items such as taxes, SGLI, Mid-month pay and dependent dental plan. Space is allocated for fifteen deductions. If more than fifteen are present the overflow will be printed in the remarks block. Any retroactive deductions will be added to like deductions.

· 12 ALLOTMENTS: In columnar style the type of the actual allotments being deducted. This includes discretionary and non-discretionary allotments for savings and/or checking accounts, insurance, bonds, etc. Space is allocated for fifteen allotments. If a member has more than one of the same type of allotment, the only differentiation may be that of the dollar amount.

· 13 AMT FWD: The amount on all unpaid pay and allowances due from the prior LES.

14 + TOT ENT: The figure from Field 20 that is the total of all entitlements and/or allowances listed.
- 15 - TOT DED: The figure from Field 21 that is the total of all deductions.

- 16 - TOT ALMT: The figure from Field 22 that is the total of all allotments.

- 17 = NET AMT: The dollar value of all unpaid pay and allowances, plus total entitlements and/or allowances, minus deductions and allotments due on the current LES.

- 18 - CR FWD: The dollar value of all unpaid pay and allowances due to reflect on the next LES as the +AMT FWD.

- 19 = EOM PAY: The actual amount of the payment to be paid to the member on End-of-Month payday. This is net pay.

- 20 - 22 TOTAL: The total amounts for the entitlements and/or allowances, deductions and allotments respectively.

- 23 DIEMS: Date initially entered military service: This date is used SOLELY to indicate which retirement plan a member is under. For those members with a DIEMS date prior to September 8, 1980, they are under the FINAL PAY retirement plan. For those members with a DIEMS date of September 8, 1980 through July 31, 1986, they are under the HIGH-3 retirement plan. For those members with a DIEMS date of August 1, 1986 or later, they were initially under the REDUX retirement plan. This was changed by law in October 2000, when they were placed under the HIGH-3 plan, with the OPTION to return to the REDUX plan. In consideration of making this election, they become entitled to a $30,000 Career Service Bonus. The data in this block comes from PERSCOM. DFAS is not responsible for the accuracy of this data. If a member feels that the DIEMS date shown in this block is erroneous, they must see their local servicing Personnel Office for corrective action.

- 24 RET PLAN: Type of retirement plan, i.e. Final Pay, High 3, REDUX; or CHOICE (CHOICE reflects members who have less than 15 years’ service and have not elected to go with REDUX or stay with their current retirement plan).

**Fields 25 through 32 contain leave information.**

- 25 BF BAL: The brought forward leave balance. Balance may be at the beginning of the fiscal year, or when active duty began, or the day after the member was paid Lump Sum Leave (LSL).

- 26 ERND: The cumulative amount of leave earned in the current fiscal year or current term of enlistment if the member reenlisted/extended since the beginning of the fiscal year. Normally increases by 2.5 days each month.

- 27 USED: The cumulative amount of leave used in the current fiscal year or current term of enlistment if member reenlisted/extended since the beginning of the fiscal year.

- 28 CR BAL: The current leave balance as of the end of the period covered by the LES.

- 29 ETS BAL: The projected leave balance to the member's Expiration Term of Service (ETS).

- 30 LV LOST: The number of days of leave that has been lost.
· 31 LV PAID: The number of days of leave paid to date.

· 32 USE/LOSE: The projected number of days of leave that will be lost if not taken in the current fiscal year on a monthly basis. The number of days of leave in this block will decrease with any leave usage.

**Fields 33 through 38 contain Federal Tax withholding information.**

· 33 WAGE PERIOD: The amount of money earned this LES period that is subject to Federal Income Tax Withholding (FITW).

· **34 WAGE YTD**: The money earned year-to-date that is subject to FITW. Field 35 M/S. The marital status used to compute the FITW.

· 36 EX: The number of exemptions used to compute the FITW.

· 37 ADD'L TAX: The member specified additional dollar amount to be withheld in addition to the amount computed by the Marital Status and Exemptions.

· 38 TAX YTD: The cumulative total of FITW withheld throughout the calendar year.

**Fields 39 through 43 contain Federal Insurance Contributions Act (FICA) information.**

· 39 WAGE PERIOD: The amount of money earned this LES period that is subject to FICA.

· 40 SOC WAGE YTD: The wages earned year-to-date that are subject to FICA.

· 41 SOC TAX YTD: Cumulative total of FICA withheld throughout the calendar year.

· 42 MED WAGE YTD: The wages earned year-to-date that are subject to Medicare.

· 43 MED TAX YTD: Cumulative total of Medicare taxes paid year-to-date.

**Fields 44 through 49 contain State Tax information.**

· 44 ST: The two digit postal abbreviation for the state the member elected.

· 45 WAGE PERIOD: The amount of money earned this LES period that is subject to State Income Tax Withholding (SITW).

· **46 WAGE YTD**: The money earned year-to-date that is subject to SITW. Field 47 M/S. The marital status used to compute the SITW.

· 48 EX: The number of exemptions used to compute the SITW.

· 49 TAX YTD: The cumulative total of SITW withheld throughout the calendar year.

**Fields 50 through 62 contain additional Pay Data.**
- 50 BAQ TYPE: The type of Basic Allowance for Quarters being paid.

- 51 BAQ DEPN: A code that indicates the type of dependent. A - Spouse C - Child D - Parent G Grandfathered I - Member married to member/own right K - Ward of the court L - Parents in Law R - Own right S - Student (age 21-22) T - Handicapped child over age 21 W - Member married to member, child under 21

- 52 VHA ZIP: The zip code used in the computation of Variable Housing Allowance (VHA) if entitlement exists.

- 53 RENT AMT: The amount of rent paid for housing if applicable.

- 54 SHARE: The number of people with which the member shares housing costs.

- 55 STAT: The VHA status; i.e., accompanied or unaccompanied.

- 56 JFTR: The Joint Federal Travel Regulation (JFTR) code based on the location of the member for Cost of Living Allowance (COLA) purposes.

- 57 DEPNS: The number of dependents the member has for VHA purposes.

- 58 2D JFTR: The JFTR code based on the location of the member's dependents for COLA purposes.

- 59 BAS TYPE: An alpha code that indicates the type of Basic Allowance for Subsistence (BAS) the member is receiving, if applicable. This field will be blank for officers.
  - B - Separate Rations
  - C - TDY/PCS/Proceed Time
  - H - Rations-in-kind not available
  - K - Rations under emergency conditions

- 60 CHARITY YTD: The cumulative amount of charitable contributions for the calendar year.

- 61 TPC: This field is not used by the active component of any branch of service.

- 62 PACIDN: The activity Unit Identification Code (UIC). This field is currently used by Army only.

**Fields 63 through 75 contain Thrift Savings Plan (TSP) information/data.**

- 63 BASE PAY RATE: The percentage of base pay elected for TSP contributions.

- 64 BASE PAY CURRENT: Reserved for future use.

- 65 SPECIAL PAY RATE: The percentage of Specialty Pay elected for TSP contribution.

- 66 SPECIAL PAY CURRENT: Reserved for future use.
· 67 INCENTIVE PAY RATE: Percentage of Incentive Pay elected for TSP contribution.

· 68 INCENTIVE PAY CURRENT: Reserved for future use.

· 69 BONUS PAY RATE: The percentage of Bonus Pay elected towards TSP contribution.

· 70 BONUS PAY CURRENT: Reserved for future use.

· 71 Reserved for future use.

· 72 TSP YTD DEDUCTION (TSP YEAR TO DATE DEDUCTION): Dollar amount of TSP contributions deducted for the year.

· 73 DEFERRED: Total dollar amount of TSP contributions that are deferred for tax purposes.

· 74 EXEMPT: Dollar amount of TSP contributions that are reported as tax exempt to the Internal Revenue Service (IRS).

· 75 Reserved for future use

76 REMARKS: This area is used to provide you with general notices from varying levels of command, as well as the literal explanation of starts, stops, and changes to pay items in the entries within the -ENTITLEMENTS‖, -DEDUCTIONS‖, and -ALLOTMENTS‖ fields.

77 YTD & 78 YTD ENTITLEMENTS & DEDUCTIONS: The cumulative total of all entitlements and deductions for the calendar year.
Factors which affect military pay and entitlements:

In addition to advancement and promotion, there are other factors that will influence pay:

1. **The Annual Pay Raise** - In general, annual military pay raises are linked to the increase in civilian wages. However, current laws governing annual pay raises no longer guarantee that military pay will be set above civilian average pay increases.

2. **Longevity raises** virtually every 2 years (based on number of years in service)

3. **Promotions**

4. **Basic Allowance for Housing (BAH; increase, based on location)**

5. **Basic Allowance for Subsistence (BAS) increase**

6. **Cost of Living Allowance (COLA; increase, based on location)**

7. **...and Military Special Pay(s), based on occupations: Combat, Flight, Diver, Hazardous Duty, etc.** (see list on next two pages).

When a service member transfers, you can bet that their BAH and COLA will probably change.*

*If your military client has recently transferred, keep this in mind when using their LES to originate a loan or qualify them for home showings.

**MILITARY SPECIAL PAYS**

In addition to standard military pay, different branches of the armed forces offer extra pay for service personnel who hold special skills; have advanced training in medicine, foreign languages, or the operation of sophisticated equipment; and for those who are placed in harm’s way.

**Aviation Pays**

A range of aviation pays is available for personnel in the Air Force, Navy, Marine Corps, and Army. Incentive programs like the Aviation Career Incentive, Aviation Continuation, Career Enlisted Flying Incentive Pay, and Crew Member and Air Weapon Controller Flying Duty provide increased pay.

**Diving Pays**

Divers and combat divers on active duty receive additional pay for the risks associated with their occupations. Service members in the Army and Navy who reach the rank of Master Divers receive the highest enlisted monthly diving pay.

**Foreign Language Proficiency Pay**

Service personnel in all branches of the military who are certified as proficient in a foreign language may be eligible to receive additional pay. Conditions for receiving foreign language pay include current need for the language as well as the candidate's military specialty.

**Hardship Duty Pay (HDP)**

Military personnel can receive hardship duty pay for specific locations (HDP-L) or for specific
missions (HDP-M). Typically, hardship duty pay is not authorized to service personnel who are permanent residents in the designated hardship duty area.

**Hazardous Duty Pay**
Service personnel who routinely are assigned to jobs with high risk may be eligible for hazardous duty pay. Occupation specialties include parachute jumping, flight deck operations, demolitions, and handling of toxic chemicals and munitions.

**Imminent Danger Pay and Hostile Fire Pay**
Military personnel who serve in locations where they are in "imminent danger" or those who face "hostile fire" in a foreign country receive additional pay. Designated areas and locations can change for these monthly pay increases.

**Medical and Dental Special Pays**
Selected reservists who are called to active duty and other military officers in medical, dental as well as other board-certified specialties may qualify for additional pay.

**Special Pay for Nuclear Power Officers**
Naval officers may be eligible for a two-part accession bonus if they 1) are selected for and accept naval nuclear power training and 2) successfully complete Naval Nuclear Officer Training. Nuclear qualified officers may also be eligible for an annual incentive bonus and continuation pay for extending active-duty commitments.

**Sea and Submarine Duty Pay**
Any service member assigned permanently or temporarily to ship or ship-based squadron duty may qualify for sea pay. A Sea Pay Premium is available for serving 36 consecutive months.

**PAY CATEGORIES YOU ARE MOST LIKELY TO SEE ON THE LES:**

**Basic Pay**
Your Basic Pay is established by grade and pay date, and is updated based on rate change, grade change, longevity, and correction or change of paydays. Basic Pay reflects all service creditable toward longevity.

For most members who enter and serve on active duty without a break in service, the basic pay date is the date they enter active or inactive service. If, however, there is a break in service, the time between periods of service usually is not included. However, there are statutory periods when service in a particular component may not be counted.

Conversely, there are periods for which some members are given constructive service, even though they were not actually serving on active or inactive duty. The servicing personnel office is responsible for providing the basic pay date, total active federal military service date, total commissioned federal military service date, and a variety of other dates, depending on the nature of the individual member's service.
Basic Allowance for Housing (BAH)
For active component service members, BAH rates vary by rank, dependent status, and assigned permanent duty station. During deployment, the BAH rate continues to be based on the assigned permanent duty station. This rate does not change even if dependents choose to relocate to another area for duration of deployment. For reserve component members, BAH rates vary by rank, dependent status, and home of residence zip code. Any adjustments made to the rates of BAH take effect on January 1 of every year.

Basic Allowance for Subsistence (BAS)
Basic Allowance for Subsistence (BAS) rates are linked to the Agriculture Department's food-cost index. The new rates as of January 1, 2009 are: Officers (including commissioned officers, warrant officers and aviation cadets) $223.04 per month; and Enlisted $323.87 per month. Basic Allowance for Subsistence (BAS) entitlement continues for service members while hospitalized. Military treatment facilities provide meals at no cost to members of the Armed Forces receiving inpatient or outpatient services for an injury, illness, or disease incurred in a combat zone.

Cost of Living Allowance (COLA)
COLA is a cash allowance intended to enable an equitable standard of living in areas where cost of living is unusually high. Members permanently assigned to designated areas receive this entitlement. If the cost of living in the area where the member is assigned is the same or lower than average in the U.S., COLA is not authorized. Soldiers deploying from an area not qualifying for COLA are not entitled to COLA while deployed, even if the deployed location is a designated COLA area.

Family Separation Allowance (FSA)
FSA is payable to service members with dependents assigned away from their permanent duty station continuously for more than 30 days in a TDY or TCS status when all of the member's dependents are not residing at or near the temporary station.

FSA is payable at $250.00 per month (or pro-rated at $8.33 per day) and accrues from the day of departure from home station and ends the day prior to arrival at home station.

DEDUCTIONS AND COLLECTIONS
Deductions and Collections come in two forms: Mandatory and Voluntary. Mandatory collections can be a result of money being collected from pay due to debt to the U.S. Government (for example, non-judicial punishment). Voluntary deductions are collections voluntarily being collected from pay (for example, Allotments or Advance of Pay).

Here are just a few examples of Deductions that may be deducted from military pay:

* Armed Forces Retirement Home (AFRH)
* Family Subsistence's Supplement Allowance
* Service member's Group Life Insurance (SGLI)
* Family Service member's Group Life Insurance (FSGLI)
* Combat Zone Tax Exclusion (CZTE)Collections:
* Non-judicial punishment
* Debt due the U.S. Government
* Bankruptcy
CERTAIN TYPES OF MILITARY PAY ARE EXEMPT FROM TAXES

There are certain types of pay that are non-taxable. Non-taxable pay is the same as "after tax pay" (net pay) and so can be "grossed up" to equal the equivalent of regular gross pay. To do this, use the non-taxable dollar amount multiplied by 25%. (Taxable income is reported on a 1099 form.)

TYPES OF NON-TAXABLE PAY

• 1. Compensated Work Therapy (CWT)
• 2. Combat Zone Tax Exclusion (CZTE)
• 3. Savings Deposit Program (SDP)
• 4. Veteran-rated disabilities
• 5. CRDP - Concurrent Retirement & Disability Pay
• 6. CRSC - Combat Related Special Compensation

Compensated Work Therapy (CWT)
Payments under the Department of Veterans Affairs (VA) Compensated Work Therapy (CWT) program are no longer taxable. Recipients of CWT payments will no longer receive a Form 1099 from the Department of Veterans Affairs.

According to the VA, the CWT program provides assistance to veterans unable to work and support themselves. Under the program, the VA contracts with private industry and the public sector for work by veterans, who learn new job skills, re-learn successful work habits and regain a sense of self-esteem and self-worth.

Combat Zone Tax Exclusion (CZTE) allows military members to exclude all or a portion of pay and entitlements earned while serving in designated combat areas from tax liabilities.

Savings Deposit Program (SDP)
SDP Help Line:
Toll Free (stateside only): 1-888-332-7411.

Don't confuse Savings Deposit Program (SDP) with the Thrift Savings Plan (TSP). TSP is available to everyone in the military. However, the Savings Deposit Program is available only to those serving in designated combat zones. Military members deployed in combat zones, qualified hazardous duty areas, or certain contingency operations may be eligible to deposit all or part of their un-allotted pay into a DoD savings account up to $10,000 during a single deployment. Interest accrues on the account at an annual rate of 10% (per Executive Order 11298) and compounds quarterly.

Although federal income earned in hazardous duty zones is tax-free, interest accrued on earnings deposited into the SDP is taxable. Members can designate the allotment amount in five-dollar increments and deposits may be discontinued at any time. Funds can be left in an SDP account
indefinitely, however, the account will stop accruing interest 90 days after a member returns from the combat zone. Generally, withdrawals may only be made upon termination of eligibility for the program.

The savings program is not new - it provided Vietnam veterans a way to earn extra money while on their Southeast Asia tours. DoD reopened the program to Desert Storm troops in 1991, and extended it to troops in Bosnia in 1996. The program was further expanded in 1997, 2001, and 2003.

**VA Disability Compensation**

This is a benefit paid to a veteran because of injuries or distress that happened while on active duty, or were made worse by active military service. It is also paid to certain veterans disabled from VA health care. The benefits are tax-free. The amount of basic benefit paid ranges, depending on how disabled you are.

Note: There may be additional amounts, in certain instances, if:
- There are very severe disabilities or loss of limb(s)
- There is a spouse, child(ren), or dependent parent(s)
- There is a seriously disabled spouse

For these additional amounts, go to www.va.gov

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<td>90 percent*</td>
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<tr>
<td>100 percent*</td>
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*30% or more are eligible for more benefits, like vocational rehab.

**Combat-Related Special Compensation (CRSC)**

CRSC may entitle a service member to additional funds which are designed to compensate him for the reduction of military retired pay due to the receipt of Department of Veterans Affairs (VA) compensation (also known as VA waivers). With CRDP, one can receive either partial or full concurrent receipt of military retirement pay and VA disability compensation.

**Concurrent Retirement Disability Pay (CRDP)**

Simply put Combat-Related Special Compensation (CRSC) allows certain military retirees to receive both their military retirement pay and VA Disability Compensation (Concurrent
Retirement Disability Pay, or CRDP. This means that qualified military retirees with 20 or more years of service that have a "combat related" VA-rated disability no longer have their military retirement pay reduced by the amount of their VA disability compensation. CRDP is a Department of Veterans Affairs (DVA) compensation (reflected on Retiree Account Statements as the "VA Waiver").

When service members choose to make the military a career, a bonus may be paid to those who meet certain criteria. That might explain a large lump sum on the LES.

Like other services, the Army offers monetary incentives to enlist into Military Occupational Specialties (MOSs or jobs). This page provides a general reference for various bonus entitlements currently being authorized in the Army. The following guidelines outline the various rules and policies currently in use for the various Army bonuses:

**Enlistment Bonuses:**
Entitlement is based on the enlistment contract the member signs at the time of recruitment. The bonus entitlement amount is determined by the Military Occupation Specialty (MOS) selected and number of years obligated\enlisted for.

**Reenlistment Bonuses:**
Entitlement occurs and is based on when the member signs the contract and actually reenlists. The amount of entitlement is determined by the bonus multiplier assigned to the MOS held by the member as of the date of reenlistment, current pay grade\rank, the monthly basic pay for member's current rank and years of longevity, and the number of years reenlisted for.

**Selective Reenlistment Bonus:**
A Selective Reenlistment Bonus (SRB) may be paid to a U.S. Armed Forces enlisted member who meets certain criteria. Reenlistment bonus amounts will vary depending on the member's prior years of service. The SRNB may be paid in a single lump sum or in annual installments. If paid in installments, the member will receive no less than 50% of the bonus up front with the remaining balance to be paid in equal annual installments.

**Bonus Extension And Retraining (BEAR) Bonus:**
Under the BEAR Program, a member extends for the purpose of learning a new MOS. The member must usually extend for the school and the SRB bonus multiplier for the new MOS in effect at the time of the extension. After the member completes training and has been awarded the new MOS, he/she reenlists and receives the bonus. Under the provisions of the BEAR Program, the member may have up to 24 months of previously obligated extension service waived when computing the bonus entitlement, provided the reenlistment occurs within 90 days of graduating from the MOS-producing school.
**Career Service Bonus:**
Entitlement is $30,000. The member must have signed an initial contract on or after August 1, 1986, and can apply at 14 years 6 months of service. Payment cannot be issued until on or after their 15 year anniversary date of active duty service. Members can change their mind, revoke the election up until reaching the 15 year anniversary date of active duty service. At that point, the decision on file becomes irrevocable. If initial application is made on or after the 15 year anniversary date of active duty service, initial application becomes irrevocable as soon as the member signs it. Entitlement is contingent upon remaining in service on active duty until a minimum of twenty years active duty service is achieved.

**Critical Skills Retention Bonus:**
The effective date of entitlement is determined by the Retention Branch at Human Resources Command. It is based on all known service obligations already in effect for the member. The effective date is specified in paragraph one of the approval memorandum. It is also the effective date of the payment. Rules governing this payment are announced in applicable MIL PER messages and may be viewed in your servicing military personnel office.

**The military has a savings plan similar to the 401(k), the Thrift Savings Plan (TSP).**

**Thrift Savings Plan (TSP)**
The Thrift Savings Plan offers the same type of savings and tax benefits that many private corporations offer their employees under "401(k)" plans.

The TSP is a Federal Government-sponsored retirement savings and investment plan. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The purpose of the TSP is to provide retirement income. It is available to everyone in the military.

On October 30, 2000, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398) was signed into law. One provision of the law extended participation in the TSP, which was originally only for Federal civilian employees, to members of the uniformed services. The TSP is a defined contribution plan. The retirement income from a TSP account will depend on how much has been contributed to the account during working years and the earnings on those contributions.

How does the TSP differ from the uniformed services retirement system? In contrast to the TSP, the uniformed services retirement system is a defined benefit program. This means that the benefit received from the uniformed services retirement system (i.e. retired pay) is based on years of service and the rank held at the time of retirement, rather than on the amount of contributions and earnings, as is the case with the TSP. In addition, unlike participation in the uniformed services retirement system, participation in the TSP is optional. To participate in the TSP, one must sign up with their service.
WHO CAN HELP WITH PAY QUESTIONS?

http://www.dfas.mil/ "DFAS 411" 888-332-7411


Annuitants - 1-800-321-1080 (U.S.) or 216-522-5955 (Outside U.S.) or https://ca.dtic.mil/dfas/s-retired/ret-pay.htm

Military Former Spouses - 1-888-332-7411 or https://ca.dtic.mil/dfas/s-garnish/garnishinquiry.htm

MILITARY MEMBERS

Air Force Active - Local Finance Office, 1-888-332-7411 or Ask Military Pay

Air Force Reserves - Local Reserve Center Finance Office, 1-888-332-7411 or Ask Military Pay

Army Active - Servicing Defense Military Pay Office, Finance Battalion or Ask Military Pay

Army Reserves - Admin unit, 1-888-332-7411 or Ask Military Pay

Army National Guard - Admin unit, 1-888-332-7411 or Ask Military Pay

Army Separatees - 1-888-332-7411 or Ask Military Pay

Marine Corps Active - Local Admin Office

Marine Corps Reserves - Local Admin Office

Navy Active - Local Personnel Support Det, 1-888-332-7411 or Ask Military Pay

Navy Reserves - Local Reserve Personnel Support Det, 1-888-332-7411 or Ask Military Pay
QUICK QUIZ FROM LEAVE AND EARNINGS STATEMENT

1. Sergeant Williams has decided to purchase a home. He will ETS in six months. What is the first thing you should ask him?

-----Do you have another job or source of income when you get out of the military?

2. Captain Clark is a pilot. You will figure his maximum loan amount by using Fields 60, 77 and 78. Is this correct? -----No; Field 60 is “YTD Charity Contributions.”

3. In which LES Fields will you find a compensating factor and what is it?
-----Fields 63 - 75; TSP.

4. Major Riley is retired. In addition to his regular retirement, he also receives a tax-exempt VA disability payment. What extra step will you take to figure his maximum loan amount?
-----Gross-up his tax-exempt VA portion.

WHAT DO WE KNOW?

1. The Leave and Earning Statement (LES) is a comprehensive statement which shows the service member's leave and earnings for the month.

2. The LES is divided into three major areas: Entitlement, Deductions and Allotments.

3. Fields 1 - 9 contain the identification portion of the LES.

4. Basic Pay is established by grade and pay date.

5. Cost of Living Allowance (COLA) is a cash allowance intended to enable an equitable standard of living in areas where cost of living is unusually high.

6. The Defense Finance and Accounting Service (DFAS), takes the responsibility of watching over America's service members' payroll matters.

7. When a service member transfers, you can bet that their BAH and COLA will probably change.

8. Factors that affect military pay and entitlements:
annual pay raise, longevity, BAS, BAH, COLA, promotions, and special pays.

9. The Thrift Savings Plan (optional) offers the same type of savings and tax benefits that many private corporations offer their employees under -401(k) plans.

10. Certain types of military pay are exempt from taxes.

12. Combat Zone Tax Exclusion (CZTE) allows military members to exclude all or a portion of pay and entitlements earned while serving in designated combat areas from tax liabilities.

13. LES Field 77 shows the service member's YTD Entitlements

SECTION 4: SPECIAL SITUATIONS
WHAT HAPPENS IF……..

Section Four Objectives

• 1. What happens to pay when a service member is injured?
• 2. Look at the Wounded Warrior Program & Pay
• 3. Look at Disability Retirements

Now you know a bit about "normal" pay. Let's see what happens when they have a long-term injury or rehabilitation.

Depending on a service member's personal situation, several entitlements may be starting, changing, or stopped during transition between the deployment and medical treatment. This section is to be used as a helpful resource to better understand these changing entitlements. For your convenience, we have provided a Wounded Warrior (WW) Publication link which contains all Wounded Warrior publications. These publications were produced by the Wounded Warrior Pay Support Team at the Defense Finance and Accounting Service Indianapolis Center for the Wounded Warriors and their families. Unfortunately, some members of the armed forces are retired due to disabilities they receive during their service. Federal law, as well as DoD and service regulations, requires a thorough review of each individual's case in determining the level of disability and entitlement to disability retirement.

When a service member becomes injured, you will see other terms used along with their appropriate amounts on the LES. This extra pay is a cushion to compensate for the change in status, which could last for months or years and could mean an extended separation for the family.

The mission of the Wounded Warrior Pay Support Team is to provide accurate, real-time financial support to service members who are medically evacuated as a result of wounds, disease, or injury incurred while serving in a combat zone. Additionally, provide the critical human dimension of world class customer service to Wounded Warriors.
**Basic Allowance for Subsistence (BAS)**
This entitlement continues for service members while hospitalized. The current 2009 monthly rates for BAS are $323.87 for enlisted, and $223.04 for officers. Military treatment facilities provide meals at no cost to members of the Armed Forces receiving inpatient or outpatient services for an injury, illness, or disease incurred in a combat zone.

**Casual Pay**
The local servicing finance office can pay Wounded Warriors a casual pay when they do not have means of withdrawing funds from their bank account. The casual pay is considered an advance on the member's next paycheck, and will be collected.

**Pay and Allowance Continuation (PAC)**
As of May 15 2008, the Pay and Allowance Continuation (PAC) program replaced CIP. PAC authorizes the continuation of all pay and allowances (including any bonuses, incentive pay, or similar benefit) that were being paid to the member at the time the member incurred a wound, injury, or illness in the line of duty. In addition, PAC authorizes the payment of $3.50 per day for incidental travel expenses.

To be eligible, the member must have been serving in a combat operation or a combat zone, a hostile fire area, or while exposed to a hostile fire event, and is hospitalized for treatment of such wound, injury, or illness. Member may be considered for assignment to a medical/patient unit if their orders indicate such assignment, and/or they are determined not fully fit to perform full military duties. PAC program eligibility terminates on the last day of the month during which any of the following occur:

- Member is returned to full-duty status in other than a medical or patient unit (for example, WTU for the Army or Warrior Regiment for the Marines). He/she will be deemed "returned for assignment to other than medical/patient unit for duty" when the member receives assignment orders to such other unit and is determined to be fit to perform full military duties.
- Soldier is discharged, separated, or retired (including temporary disability retirement).

Health Professional Officers, certified current as of November 2003, in consultation with the soldier's chain of command determine when he is found to be able or unable to perform full military duties.

**DISABILITY RETIREMENTS**
Unfortunately, some members of the armed forces are retired due to disabilities they receive during their service. Federal law, as well as DoD and service regulations, requires a thorough review of each individual's case in determining the level of disability and entitlement to disability retirement.

The individual will be given an Army disability paper with an estimated disability rating, but that is only an ESTIMATE and could vary greatly with the final disability awarded by the Department of
Veteran's Affairs (VA). It's best to wait for the final rating from the VA in case they determine a lower rating is in order.

Once a disability determination has been rendered by the physical disability process, information is provided to DFAS to establish a retiree pay account for the member. Questions regarding the disability process should be directed to the personnel office or medical/physical evaluation board (MEB or PEB). Pay questions may be directed to DFAS Retiree and Annuitant Pay customer service at 1-800-321-1080.

**Temporary Disability Retired List (TDRL)**
If a physical evaluation board finds a member unfit to perform duties by reason of a disability which may not be of a permanent nature, he or she may be placed on the Temporary Disability Retired List. The retired pay is computed under two different methods. The first is based on the disability percentage (minimum of 50% for payment purposes while on the TDRL), and the second is based on the years of active service. Pay is established by whichever method provides the greatest entitlement. While on TDRL, a physical examination shall be given at least once every 18 months. The member may remain on the TDRL up to 5 years. However, final action may be taken at any time based on changes to his or her condition. If, as a result of the periodic examination, the member is found fit for duty, he or she may be discharged from the TDRL and returned to active duty. If the disability has stabilized and is rated at 30% or greater, the member will be transferred to the Permanent Disability Retired List (PDRL). If the disability has stabilized and is rated at less than 30%, and the member does not have 20 years of service, he or she will be discharged from the TDRL with severance pay. If found fit for duty, the member will be discharged from the TDRL and returned to duty or discharged without severance pay.

**Permanent Disability Retired List (PDRL)**
If the member has been found to be unfit by reason of disability that is found to be of a permanent nature and has been rated at 30% or greater, or rated at less than 30% but have 20 or more years of service, he or she will be placed on the PDRL list. This is a permanent status. Retired pay is computed under the same two methods stated in the TDRL section above, with the exception of the 50% minimum. A member of the TDRL whose disability is now considered to be of a permanent nature will be transferred to the PDRL and the retired pay is computed using the same retired pay base utilized while on the TDRL and the new percentage (no longer a 50% minimum).

**Retirement Status**
A member of the TDRL or the PDRL is a retired member of the armed forces. He or she remains entitled to all rights and privileges of the retired status. The member is entitled to participate in the Survivor Benefit Plan and have voluntary/involuntary allotments from retired pay. The member may apply for disability compensation from the Department of Veterans Affairs. If he or she meets the requirements for a non-disability retirement, the member may also qualify for Combat-Related Special Compensation or Concurrent Retirement and Disability Pay.
Traumatic Servicemembers’ Group Life Insurance

TSGLI is an entitlement that wounded personnel may receive if they are covered by Servicemembers’ Group Life Insurance (SGLI), and they sustain an injury that results in 15 days of continuous in-patient hospital care or certain severe losses, such as loss of a limb, sensory loss, blindness, severe burns, and inability to perform activities of daily living. All members of the uniformed services that have part-time or full-time SGLI are automatically covered by TSGLI while the member is in service. TSGLI coverage will pay a benefit from $25,000 to $100,000 depending on eligibility and the severity of the loss resulting from traumatic injury. For more information contact the office of SGLI by phone at 1-800-419-1473.  http://www.insurance.va.gov/

FAQs....

Who is covered under TSGLI? Every member who has SGLI also has TSGLI.

Can the service member decline TSGLI? No, TSGLI coverage is automatic for those insured under basic SGLI. The only way to decline TSGLI is to decline basic SGLI coverage

Resource: www.insurance.va.gov

WHAT DO WE KNOW?

1. The mission of the Wounded Warrior Pay Support Team is to provide accurate, real-time financial support to service members who are medically evacuated as a result of wounds, disease, or injury incurred while serving in a combat zone.

2. A member of the TDRL or the PDRL is a retired member of the armed forces.

3. SFAC is the Soldier and Family Assistance Center.

4. If a physical evaluation board finds a member unfit to perform duties by reason of a disability which may not be of a permanent nature, he or she may be placed on the Temporary Disability Retired List.

5. PAC (Pay and Allowance Continuation) authorizes the continuation of all pay and allowances (including any bonuses, incentive pay, or similar benefit) that were being paid to the member at the time the member incurred a wound, injury, or illness in the line of duty.

6. All soldiers assigned to Army Wounded Warrior (AW2) are also assigned to a Warrior Transition Unit (WTU) once they leave the initial stage of hospitalization and begin what is often a long process of rehabilitation.

7. Combat-Related Special Compensation (CRSC) allows certain military retirees to receive both their military retirement pay and VA Disability Compensation.

8. All members of the uniformed services that have part-time or full-time SGLI are automatically covered by TSGLI while the member is in service.
SECTION 5 -- RESOURCES TO SHELTER & SHIELD

- SCRA – Servicemembers Civil Relief Act
- Veteran’s Benefits Act of 2010
- The Uniform Services Employment & Reemployment Rights Act of 1994

The current unemployment rate and income volatility are driving homelessness upward. Foreclosure rates will get worse before they stabilize. Statistics are as dire for military families as any others. A vital objective of the Certified Military Home Specialist Course is ensuring that military borrowers are matched with affordable and sustainable mortgages that won’t become future foreclosure statistics. This benefit to our nation’s veterans would also alleviate the downward slide of homes and neighborhoods that remain vacant for a period of time.

Servicemembers Civil Relief Act (SCRA)
(50 USC App. §§ (501-596)(SCRA)

The Servicemembers Civil Relief Act (SCRA) was signed into law on December 19, 2003. The Act amended and replaced the Soldiers’ and Sailors’ Civil Relief Act of 1940. SCRA is a federal law that provides protections for military members as they enter active duty. In general, the act seeks to strengthen the national defense by providing for temporary suspension of legal proceedings and financial transactions that may adversely affect the rights of servicemembers during their military service. These types of concerns shouldn’t be on the minds of our fighting forces.

SCRA covers issues such as rental agreements, security deposits, prepaid rent, eviction, installment contracts, credit card interest rates, mortgage interest rates, mortgage foreclosure, civil judicial proceedings, automobile leases, life insurance, health insurance and income tax payments.

A majority of states have passed laws which provide benefits to members of the military similar to those provided by the SCRA. Each state law is unique and must be examined to ensure compliance. In many cases, the laws align with the SCRA, but apply to a larger group of individuals, such as members of the National Guard ordered to state, but not federal, active duty. In other cases, these laws provide additional protections such as limiting reporting to credit bureaus.

The SCRA covers all Active Duty servicemembers, Reservists and the members of the National Guard while on active duty. The protection begins on the date of entering active duty and generally terminates within 30 to 90 days after the date of discharge from active duty.

Among other things, the act contains special rules regarding debts secured by a mortgage, trust deed, or similar security interest in real or personal property owned by a servicemember. Generally, the act prohibits the sale, foreclosure, or seizure of property, based on a breach of such a secured obligation, during the period of military service or within 90 days thereafter. The prohibition applies only to obligations that originated prior to the servicemembers military
service (though this is subject to change), and for which the servicemember is still obligated.

You should contact your nearest Armed Forces Legal Assistance Program office to see if the SCRA applies. Dependents of servicemembers can also contact or visit local military legal assistance offices where they reside. Please consult the military legal assistance office locator for each branch of the armed forces.

In order to have your SCRA case reviewed by the Department of Justice (DOJ), you must first seek the assistance of your military legal assistance office. If that office cannot resolve the complaint, it may choose to forward the complaint to the DOJ. The DOJ then will review the matter to determine whether DOJ action is appropriate.

The SCRA protects servicemembers against foreclosures of mortgages, as long as the following facts are established:

1. The relief is sought on an obligation secured by a mortgage, trust deed; or other security in the nature of a mortgage on either real or personal property;

2. The obligation originated prior to entry on active duty;

3. The property was owned by the servicemember or family member prior to entry on active duty (subject to change);

4. The property is still owned by the servicemember or family member at the time relief is sought.

5. The ability to meet the financial obligation is materially affected by the servicemember's active duty obligation.

*The following information can be critical for service men and women everywhere, and you will indeed be the respected "local expert" if you know and share this whenever the need arises.*

**Terminations of Leases**

*Provides a servicemember who receives a permanent change of station orders OR who is deployed to a new location for 90 days or more the right to terminate a housing lease.*

It's critical that the service member provide their landlord with written notice of the termination along with a copy of their orders. The termination becomes effective 30 days after the due date for the next rental payment. The service person should keep a copy for their records to prove they are entitled to retain their security deposit.

If the credit report shows charges for a broken lease, and it could be substantial, this may be the answer for getting them removed and clearing up the report.

It's also critical that the service member read the rental contract prior to signing, as some landlords have been known to include a waiver of SCRA rights within the agreement. Signing such a document strips away all rights provided under SCRA and could lead to significant hardship.
If ever a rental contract is unclear, the service member should take their questions to the military Legal Assistance Office. Each office usually has a set time for walk-ins needing lease review. The service member might also want to include a "military clause," which allows for legal lease termination for such things as extended periods of TDY (temporary duty), or if base housing becomes available. This standard clause is available through the Legal Assistance Office.

**Interest Rates**
* Clarifies and restates existing law that limits to 6 percent interest on credit obligations incurred prior to military service or activation, including credit card debt, for active duty servicemembers. The SCRA unambiguously states that no interest above 6 percent can accrue for credit obligations *(that were established prior to active duty or activation)* while on active duty, nor can that excess interest become due once the servicemember leaves active duty -- instead *that portion above 6 percent is permanently forgiven*. Furthermore, the monthly payment must be reduced by the amount of interest saved during the covered period.

Again, this could help with credit report issues that need to be removed from the report.

**NOTE:** This law only covers debt incurred prior to military service; subject to change.

**Judicial Proceedings**

The SCRA protects servicemembers from certain judicial proceedings until they return from military service, deployment or overseas tours of duty and for a time thereafter. These are not covered in the course Exam, but are important enough to be aware and know when to direct your servicemember toward more information from the SCRA website. Protections include, based on certain restrictions or requirements:

- **Stay of Proceedings** – Upon application by the servicemember, can postpone the action for a period of not less than 90 days

- **Stay of Execution** – Judgments, court actions, attachments and garnishments. If member requests postponement of action, it must be granted unless court determines the member’s ability to comply with the order is not materially affected by their military status.

- **Default Judgment** – See pertinent requirements

- **Statute of Limitations** – Period of military service may not be included in computing any limitation period for filing suit, either by or against the servicemember; does not apply to IRS laws.
The Veterans' Benefits Act 2010

(Public Law 111-275 Title III)

The Veterans' Benefits Act of 2010 included four important changes to SCRA that were not addressed in the previous versions of 2003 and 1940:

1. Servicemembers can now terminate cell phone contracts when military orders require relocation for more than 90 days to an area that does not support the contract. This applies to family contracts as well as individual plans.
2. When SCRA protections are broken, in some circumstances the servicemember may be able to recover attorney fees and court costs. This should be a huge help to enforcement of SCRA rules, as many attorneys rejected SCRA cases that involved much work for little compensation.
3. Civil actions may also be brought through the U.S. Attorney General, helping those who can’t find or afford an attorney.
4. SCRA violations can now bring a first-time offender a $55,000 fine and up to $110,000 for additional offenses.

Prior to these revisions, there were no penalties for SCRA violations.

SCRA Compliance

Defense Manpower Data Center

The Defense Manpower Data Center (DMDC) was established by the Department of Defense in 1974 to collect and maintain accurate, readily available manpower and personnel data: https://www.dmdc.osd.mil/appj/dwp/index.jsp

This site can be used to determine when a military serviceperson goes on active duty. It should be utilized by lenders with frequency and consistency to monitor for SCRA compliance.

Free Legal Assistance For Servicemembers

Free legal assistance is provided to military servicemembers and their families based on available resources and personnel. Each military service has specific regulations regarding the extent of legal assistance they provide, but can always help with a lease, a will or a notarized signature. Veterans are not eligible for these services. Generally, legal assistance is provided to the following groups:

- All members of the Armed Forces on active duty (including members of a reserve component),
- Reservists released from active duty, having served 30 days or more,
- Retirees from all branches of the service, and
- Lawful dependents. Federal civilian employees and their dependents are also entitled to legal assistance in certain circumstances.

Legal assistance offices are located on almost every base, ship and installation. If you have trouble locating legal assistance, you can find the office nearest your location by visiting one of the following websites:

- Armed Forces Legal Assistance Directory: https://aflegalassistance.law.af.mil
- Army: https://www.jagcnet.army.mil/legal
This is not intended to be the final word with SCRA guidelines, but to raise your awareness of what types of things are covered. Due to the many details of each case, and lots of changes being made, you should check for the latest guidelines and changes and advise your servicemember to do the same.

For further information, servicemembers can contact their legal assistance office.

**SCRA “Recent News”**

New reports over the last couple of years have reported more than 4,500 violations of SCRA guidelines involving improper foreclosures alone. Many lenders around the nation are now setting up or strengthening their “Military Lending Departments” to ensure compliance with the SCRA guidelines. Taking this course is a significant first step for every lender needing to create its own military department. It provides a solid foundation for any company to build their own individual requirements.

The next step is to provide in-depth training of SCRA guidelines for at least one person per branch, then make sure there is a system in place for consistent review for compliance and correction.

Now that penalties are attached to these violations, more SCRA violations will follow for those lenders who don’t closely follow these critical guidelines and the simple steps for compliance.

The time required to take the Certified Military Home Specialist Course and become certified to work with military servicemembers is a small investment toward avoiding the negative publicity that surrounds such an SCRA debacle, in addition to the impact for servicemembers.

Most importantly, it ensures we are all doing our part in “Helping those who defend our homes, preserve their own.”

For the full Overview of Servicemembers Civil Relief Act, go to: [www.military.com/benefits/legal-matters/scra/overview](http://www.military.com/benefits/legal-matters/scra/overview)
For the latest developments in SCRA, go to [www.usdoj.gov](http://www.usdoj.gov)

**THE UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)**

The Uniform Services Employment and Reemployment Rights Act referred to as USERRA clarifies and strengthens the Veterans Re-employment Rights Statute.

USERRA protects civilian job rights and benefits for veterans and members of the reserve components. It also makes major improvements in protecting service members rights and benefits by clarifying the law, improving enforcement mechanisms, and adding government
employees to assist those processing claims.

USERRA applies to all persons who perform duty, voluntarily or involuntarily in the uniformed services which includes all branches of service as well as the reserve components of each. Persons going thru Federal training or service in the Army National Guard or Air National Guard are also covered. USERRA covers nearly all employees, including part time and probationary. USERRA applies to all employers regardless of their size.

USERRA prohibits employment discrimination against any person on the basis of military service, current military obligations or intent to serve. An Employer must not deny initial employment, reemployment, retention of employment, promotion, or any benefit of employment to a person on the basis of a past, present or future service obligation.

Pre Service Employers must reemploy service members returning from periods of service if those servicemembers meet five criteria which are as follows:

1) Service member provided advance written or verbal notice of the service

2) Service member has 5 or less years of uniformed service while with this particular employer

3) Service member return to work or application for re-employment is done in a timely manner after the conclusion of service

4) Service member was not separated from service with disqualifying discharge or under unhonorable conditions

If the Service member is eligible to be re-employed they must be restored to the job and benefits they would have attained if they had not been absent due to the military service (or in some cases, a comparable job).

Employers are required to notify employees of their rights under USERRA. A copy of the poster from the Department of Labor is included in the Exhibit Section of the text for your reference. If you require additional information you can go to www.dol.gov/vets.

The U.S. Department of Labor, Veterans’ Employment and Training Service (VETS) is authorized to investigate and resolve complaints of USERRA Violations.

Service members requiring assistance in filing a complaint or for any other information on USERRA, contact VETS at 1-866-4-USA-DOL or visit its Web site at http://www.dol.gov/vets. An interactive online USERRA Advisor can be viewed at http://www.dol.gov/elaws/userra.htm.
SECTION 6 – VETERAN’S AFFAIRS (VA) LENDING

Section Six Objectives
- Who qualifies for VA loans
- VA Funding Fee Waived
- VA Loan Advantages
- Certificate of Eligibility
- Statement of Service
- Restoration of entitlement

VA can help you purchase a home at a competitive interest rate, even if you have found it difficult to find other financing.

VA’s Cash-Out Refinance Loan is for homeowners who want to take cash out of your home equity to take care of concerns like paying off debt, funding school, or making home improvements. The Cash-Out Refinance Loan can also be used to refinance a non-VA loan into a VA loan. VA will guaranty loans up to 100% of the value of your home. The Interest Rate Reduction Refinance Loan, IRRRL, is a streamlined refinance loan.

You must have suitable credit, sufficient income, and a valid Certificate of Eligibility (COE) to be eligible for a VA-guaranteed home loan. The home must be for your own personal occupancy. The eligibility requirements to obtain a COE are listed below for Servicemembers and Veterans, spouses, and other eligible beneficiaries.

VA home loans can be used to:
- Buy a home, a condominium unit in a VA-approved project
- Build a home
- Simultaneously purchase and improve a home
- Improve a home by installing energy-related features or making energy efficient improvements
- Buy a manufactured home and/or lot.

Servicemembers and Veterans

To obtain a COE, you must have been discharged under conditions other than dishonorable and meet the service requirements as defined at http://www.benefits.va.gov/HOMELOANS/purchaseco_eligibility.asp#top.
This included veterans from WWII up to the present, and all active duty personnel with minimum duty of 90 continuous days.

You may also apply for eligibility if you fall into one of the following categories:

- Certain U.S. citizens who served in the armed forces of a government allied with the United States in World War II
- Individuals with service as members in certain organizations, such as Public Health Service officers, cadets at the United States Military, Air Force, or Coast Guard Academy, midshipmen at the United States Naval Academy, officers of National Oceanic & Atmospheric Administration, merchant seaman with World War II service, and others.

National Guard & Reserve member from 2 AUG 1990 to present with 90 days of active service, and also:

- Six years of service in the Selected Reserve or National Guard, AND
  - Were discharged honorably, OR
  - Were placed on the retired list, OR
  - Were transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after service characterized as honorable, OR
  - Continue to serve in the Selected Reserve

If you do not meet the minimum service requirements, you may still be eligible if you were discharged due to:

- Hardship
- The convenience of the government
- Reduction-in-force
- Certain medical conditions
- A service-connected disability

Spouses

The spouse of a Veteran can also apply for home loan eligibility under one of the following conditions:

- Unremarried spouse of a Veteran who died while in service or from a service connected disability, or
- Spouse of a Servicemember missing in action or a prisoner of war
- Surviving spouse who remarries on or after attaining age 57, and on or after December 16, 2003
  *(Note: a surviving spouse who remarried before December 16, 2003, and on or after attaining*
age 57, must have applied no later than December 15, 2004, to establish home loan eligibility. VA must deny applications from surviving spouses who remarried before December 6, 2003 that are received after December 15, 2004.)

- Surviving Spouses of certain totally disabled veterans whose disability may not have been the cause of death

Others Eligible
You may also apply for eligibility if you fall into one of the following categories:

- Certain U.S. citizens who served in the armed forces of a government allied with the United States in World War II
- Individuals with service as members in certain organizations, such as Public Health Service officers, cadets at the United States Military, Air Force, or Coast Guard Academy, midshipmen at the United States Naval Academy, officers of National Oceanic & Atmospheric Administration, merchant seaman with World War II service, and others

VA Funding Fee

In 1982, Congress levied a one-time funding fee on VA loans, ranging from 1.25 percent to 3 percent, depending on the veteran’s service and whether it’s a first time or subsequent loan. The average fee is 2 percent, and the VA will lower the fee if the borrower makes a down payment of at least 5 percent.

The VA Funding Fee can add substantial cost to a VA purchase mortgage UNLESS the veteran has a service-related disability, in which case the fee is waived in its entirety. Unfortunately, not all loan officers are aware of this, although they should be. VA Form 26-8937 (Verification of VA Benefits), a required form in the loan process, will point out the disability and processors should catch it (even if the loan officer has missed it) and ensure that the veteran gets the benefit of the waiver. This will result in much less money required for closing costs. If the home has already closed and the funding fee paid, it can be reimbursed under certain circumstances. Again, these important facts help make you the local lending/housing expert!

- The Funding Fee is paid through the Funding Fee Payment System (FFPS).
- The veteran must pay a funding fee in order to help defray costs of the VA home loan program.
- For more information on the funding fee, please refer to Chapter 8 of the Lender’s Handbook at the Veterans Benefits Administration website: http://www.vba.va.gov/ro/central/stpau/Lenders/Fundingfeeoverview.html

The following persons are exempt from paying the funding fee:

- Veterans receiving VA compensation for service-connected disabilities.
- Veterans who would be entitled to receive compensation for service-connected disabilities if they did not receive retirement pay.
- Veterans who are rated by VA as eligible to receive compensation as a result of pre-discharge
disability examination and rating.

- Surviving spouses of veterans who died in service or from service-connected disabilities (whether or not such surviving spouses are veterans with their own entitlement and whether or not they are using their own entitlement on the loan).

See Chapter 8 for details, clarification and VA Form 26-8937, as necessary. Consult VA if the borrower's status is unclear after reviewing the appropriate documents.

VA Home Loan Advantages
The guarantee VA provides to lenders allows them to provide you with more favorable terms, including:

- No down payment as long as the sales price doesn't exceed the appraised value.
- No private mortgage insurance premium requirement.
- VA rules limit the amount you can be charged for closing costs.
- Closing costs may be paid by the seller.
- The lender can't charge you a penalty fee if you pay the loan off early.
- VA may be able to provide you some assistance if you run into difficulty making payments.

Helpful to know:

- You don't have to be a first-time homebuyer.
- You can reuse the benefit.
- VA-backed loans are assumable, as long as the person assuming the loan qualifies.

Restoration of Entitlement
Veterans can have previously-used entitlement "restored" to purchase another home with a VA loan if:

- The property purchased with the prior VA loan has been sold and the loan paid in full, or
- A qualified Veteran-transferee (buyer) agrees to assume the VA loan and substitute his or her entitlement for the same amount of entitlement originally used by the Veteran seller. The entitlement may also be restored one time only if the Veteran has repaid the prior VA loan in full, but has not disposed of the property purchased with the prior VA loan. Remaining entitlement and restoration of entitlement can be requested through the VA Eligibility Center by completing VA Form 26-1880.
SECTION 7 -- STEPS TO FORECLOSURE PREVENTION

Section Seven Objectives
- Warning signs of difficulty
- Understand the default process
- Avoid scams
- Keep track of it all
- Protect your credit while deployed
- Resources

As a housing professional, you have an opportunity to provide your clients with information that could help them avoid mortgage delinquencies down the road. Help them be proactive with their mortgages and they will thank you forever, probably with referrals and repeat business. At loan closings, please be sure to review the below basics on foreclosure avoidance with your clients. Feel free to print this portion and use as a handout they can keep with their loan closing package.

WARNING SIGNS OF FINANCIAL DIFFICULTY

Unexpected life changes, especially those that affect your finances, are among the key factors to a mortgage delinquency and foreclosure:

- Loss of employment or reduction of hours
- Major illness, injury or permanent disability
- Divorce or separation
- Death of a spouse
- Assuming responsibility for aging parents or other family members

Developing a plan of action before a major life change happens is your best protection when a crisis happens. Two key parts to your plan would be:

1. **Save money** - Regularly set aside money each month to build an emergency fund for the unexpected. Your goal should be 3-6 months’ worth of living expenses.

2. **Reduce expenses** - Think about ways to reduce your monthly spending habits. Every little bit adds up and can help you get through a period of financial difficulty.

Warning signs of impending financial difficulty may be subtle, but point to mortgage problems in the near future. If you are having problems managing your credit cards or utility bills, you may be creating problems that will affect your ability to maintain your mortgage payment. Suddenly you may be facing foreclosure. If you ignore or don’t recognize these warning signs, you will suffer serious consequences:

- Mortgage payment changes (changes in interest rate, property taxes, homeowners insurance, and other miscellaneous mortgage loan changes)
- Maxing out credit cards
- Using credit cards to pay for daily expenses such as food and utilities
Paying bills late
•· Paying credit card minimum payments only
•· Applying for new credit cards after maxing out existing ones
•· Choosing between paying bills and paying essential living expenses

Any of these events affects your ability to make your mortgage payments on time. When this happens, foreclosure may result. To cope with foreclosure:

•· **Understand** the Delinquency Cycle of a mortgage. The loan servicer expects to receive your payment by the due date. If the servicer has not received your payment by that date (usually the 1st), it is delinquent. Most loans have a Grace Period, which is the time between the due date and the date when late fees begin. Check your Promissory Note or mortgage statement for your due date.

•· **Contact** your servicer as soon as possible to discuss your situation. The servicer is the entity to which you send your monthly payments. The lender has contracted with the servicer to handle your loan payments after closing. The servicer is your contact for any issues you have with your mortgage loan. Also called **loan servicer** or **mortgage servicer**.

•· **Seek** the advice of a HUD-certified housing counselor. If you are facing mortgage delinquency, a certified housing counselor can work with you to help negotiate with your loan servicer. They will require very specific information from you as the homeowner. The more information you provide to the housing counselor, the easier it will be to evaluate your situation.

The services of a foreclosure prevention or mortgage default counselor (housing counselor) are provided free of charge. (A few may charge a nominal fee for the credit report.)

Service members and their families can also get helpful credit information and free credit scores from the financial counselors at the Personal Financial Management Program. To find the nearest **PFMP office**, select "Personal Financial Management Services" on MilitaryINSTALLATIONS. Financial counseling is also available through **Military OneSource** (800-342-9647) and the Joint Family Support Assistance Program.

The sooner you take action, the better. Call your mortgage company/servicer if you know your payment will be late. Don’t wait for them to call you. Always return their calls. Call your HUD-certified housing counselor. They may be able to help you stay in your home.

**Keep everyone informed.**
You have options, and you will find there are many different people who will be involved in this process. At this point, it's all up to you!

•· Keep everyone informed about the latest developments regarding your mortgage loan modification, delinquency, refinance or foreclosure.

•· Do not assume that because you have chosen one option, the other key players know. For example, if your loan was referred to a Trustee for foreclosure and your mortgage servicer agreed to a loan modification, do not assume the Trustee is aware of that modification. They may continue to process an Auction.
• It's very possible your mortgage lender's loan modification department will not be communicating with its attorneys in the foreclosure department.

• Open all mail, answer or return all calls and share with everyone important notices, letters, offers and anything else you know.

• Help yourself by communicating with everyone working with you. Create a "Call List" with the names and phone numbers of all parties working with you or with another party involved in your mortgage delinquency or foreclosure proceedings.

**Beware of mortgage scams!** If a counselor requires a fee, either before any services are performed, or in several installments, this is a warning sign. Before you make any payments, contact HUD at 800-569-4287 to determine whether this counselor is working for a HUD-approved housing counseling agency.

If you aren’t able to get anywhere working with your lender, and you have everything documented, you can call this number to file a complaint: 800-613-6743. They will file your case and work it for you. Your loan must be with a national bank, or they’ll give you a different hotline number. You can also go to this website, www.helpwithmybank.gov.

**Mortgage Assistance Relief Services (MARS) Rule**

The Federal Trade Commission (FTC), the nation's consumer protection agency, has a Rule in place to protect homeowners. The Mortgage Assistance Relief Services (MARS) Rule makes it illegal for companies to collect any fees until a homeowner has actually received an offer of relief from his or her lender and accepted it. That means even if you agree to have a company help you, you don’t have to pay until it gets you the result you want.

If you're struggling to make mortgage payments or facing foreclosure, the FTC wants you to know how to recognize a mortgage assistance relief scam and exercise your rights under the new Rule. And even if the foreclosure process has already begun, the FTC and its law enforcement partners want you to know that legitimate options are available to help save your home.

The FTC's MARS Rule gives you rights – and sets out requirements for people who sell mortgage assistance relief services:

You don't have to pay any money until the company delivers the results you want.

It's illegal for a company to charge you a penny until:

1. it's given you a written offer for a loan modification or other relief from your lender; and
2. you accept the offer. The company also must give you a document from your lender showing the changes to your loan if you decide to accept your lender’s offer. And the company must clearly tell you the total fee it will charge you for its services.
Companies must disclose key information.

The Rule requires companies to spell out important information in their advertisements and telemarketing calls, including that:

- They're not associated with the government, and their services have not been approved by the government or your lender;
- Your lender may not agree to change your loan;
- If a company tells you to stop paying your mortgage, it also has to warn you that doing so could result in your losing your home and damaging your credit.
- Companies can't tell you to stop talking to your lender. You should always feel free to contact your lender directly to see whether they can offer you additional options. Companies that tell you otherwise are breaking the law.

If a company doesn't follow these rules, it could be trying to scam you.

GETTING HELP FROM A LAWYER

Some lawyers may offer to help you get a loan modification or other mortgage relief. Under the MARS Rule, lawyers can require you to pay an upfront fee, but only if:

- They're licensed to practice law in the state where you live or your house is located;
- They're providing you with real legal services;
- They're complying with state ethics requirements for attorneys; and
- They place the money in a client trust account, withdraw fees only as they complete actual legal services, and notify you of each withdrawal.

Unfortunately, some people advertising mortgage assistance relief services falsely claim to be getting you help from lawyers. So before you hire someone who claims to be an attorney or claims to work with attorneys, do your homework:

VA LOANS

The Veteran's Administration (VA) offers financial counseling to veteran's with VA-guaranteed, conventional, or sub-prime loans. For veterans with VA-guaranteed loans, VA may be able to intercede with the lender to help arrange an option to foreclosure, but does not have the authority on other loans. VA's toll-free number for the Home Loan Guaranty Program is 877-827-3702. They will now attempt to help servicemembers with non-VA loans as well.

KEEPING TRACK OF IT ALL

It's very important to keep track of everyone you talk to throughout this process. Everyone is communicating with you, but not necessarily with anyone else associated with your case. Since you are the one who stands to keep or lose your home, it's worth your time to keep track!
DON'T PANIC! TAKE CONTROL.

The following information will help you quickly find names, numbers and general comments to help you when you're talking to all parties involved with your case. Just write down the Date, Phone number, Person you spoke with, and Notes about the conversation:

• Who did I talk to? When?
• What was discussed?
• What is their phone number?
• Their address?
• When will they call back?
• When am I supposed to call back?
• What notice did I receive and from whom?

Remember, it's best to have a back-up plan already prepared in case you suddenly find yourself in a life-changing situation. The best time to develop your plan is when things are going well and you can calmly prepare for the unexpected.

What is Loss Mitigation? This division of the loan servicer will work with you to develop an acceptable plan to place you back on track with your mortgage payments.

You will start receiving letters requesting that you call them so you may explore the options available to you. Always open mail and answer phone calls from the Loss Mitigation, Home Preservation or Work Out division or department of your mortgage servicer.

If you have any questions about who is contacting you, check your most recent mortgage statement. You may call and check with the company listed on your statement to verify the calls and mail you are receiving are not scams.

Credit Protection: Freeze Your Credit While You’re Deployed

When you receive orders to deploy, you need to be able to focus on the upcoming mission. To do this, you'll want to ensure your finances are in order and that you take measures to protect yourself from harmful financial situations like identity theft or fraud.

One easy step you can take to minimize your risk is to file an active duty alert or security freeze on your credit before you deploy. This ensures that businesses have to verify your identity before they issue credit in your name, which should help you avoid identity theft.

Credit Report Active Duty Alert

When businesses see an active duty alert on your credit report, they must verify your identity before issuing credit in your name. This should prevent any new accounts from being opened in your name. It's similar to a security freeze, which is described below, but your active duty alert will automatically remain in place for one year - although you can request to have it removed sooner. If your deployment is longer than one year, you can place another active duty alert on your credit
report if necessary. An active duty alert allows you to designate a personal representative, such as your spouse, partner or another trusted person, who can act on your behalf to verify your identity or remove your active duty alert if necessary. Placing an active duty alert on your credit also reduces the number of pre-approved credit card and insurance offers you receive for two years.

To place an active duty alert, complete the following steps:

- Contact one of the three credit bureaus—either Equifax, TransUnion or Experian and express your desire to place an active duty alert on your credit. The company you call must contact the others.
- Provide proof of identity, like a government-issued identity card, driver's license, military identification, birth certificate or passport.

To find the contact information for the credit reporting agencies, as well as more details about active duty alerts, visit the Federal Trade Commission's website.

Security freeze
To protect yourself and your credit rating while you are deployed, you can also place a security freeze on your credit. A security freeze means that your credit file cannot be shared with anyone, such as potential creditors or insurance companies, without your permission. Most businesses will not open credit accounts without checking a consumer's credit history first - so if you have a freeze on your account, this will keep any new accounts from being opened in your name.

If you freeze your credit, you'll have to set up the freeze separately with each of the three credit reporting companies - TransUnion, Equifax and Experian. The cost to place and lift a freeze, and how long the freeze lasts depends on state law. Some states charge about $10 for a freeze; other states charge nothing.

To place a security freeze on your credit, complete the following steps:

- Contact your state attorney general's office to inquire about placing a freeze on your credit. Be sure to tell them you are a member of the military and ask how long the freeze lasts and how much it costs.
- Contact each of the three credit reporting agencies - Equifax, TransUnion and Experian. Ask them each to put a freeze on your credit.

A security freeze can be lifted temporarily when you are applying for credit, or you may remove it permanently at any time. To find the contact information for the credit reporting agencies, as well as more information about a security freeze on your credit, visit the Federal Trade Commission's website.

**RESOURCES FOR**

**Foreclosure Mitigation Assistance and Counseling**

**FDIC Foreclosure Prevention Website:**
www.fdic.gov/foreclosuresite
(877) ASKFDIC or (877) 275-3342

**U.S. Department of Housing and Urban Development**
www.hud.gov/offices/hsg/sfh/hcc/fc or http://www.hud.gov/
Boots Across America Certified Military Home Specialist

Participant's Guide

(800) 569-4287

Homeownership Preservation Foundation:
http://www.995hope.org/
(888) 995 - HOPE

NeighborWorks America
http://www.findaforeclosurescoalition.org/ or www.nw.org/network/home.asp

If you do not have a loan(s) owned by Fannie Mae, contact the Homeowners HOPE™ Hotline at 888-995-HOPE or visit the Making Home Affordable website for mortgage assistance.

Fannie Mae:  www.KnowYourOptions.com/military or 866-442-9413
Freddie Mac:  www.InCharge.org or 877-300-4179

Beware of Mortgage Scams --
www.LoanScamAlert.org

OTHER RESOURCES

DFAS - Defense Finance and Accounting Service, Indianapolis IN (HQ)
The Defense Finance & Accounting Service
8899 East 56th Street
Indianapolis IN 46249
www.dfas.mil "DFAS 411" 888-332-7411

Loan officers may call with questions regarding pay and will be required to provide personal information about their client to prove their working relationship. At this time, no signed disclosure is required.

LES (Leave & Earning Statements) with explanations and examples; acronyms and much more.
http://www.dfas.mil/army2/militarypay/requestingyourles.html

For a comprehensive list of acronyms, go to www.dfas.mil, click "More" at the top. Click on "Reference Library" where you'll find "Additional References" and then "Abbreviations & Acronyms."

United States Department of Veteran Affairs website
Loan Guaranty Home Loan Program
http://www.benefits.va.gov/homeloans/
VA Loans Lender's Handbook

http://www.benefits.va.gov/warms/pam26_7.asp
Veteran's Administration:  http://www.homeloans.va.gov/
877-827-3702


❖Veterans Benefits Administration Home Loan Guaranty Program (VBA-LGY)
• Early intervention in the loan default process enables the LGY program to assist in preventing homelessness by helping Veterans who fall behind on mortgage payments avoid foreclosure. LGY provides financial counseling to Veteran borrowers who are in default, and for those Veterans who have VA-guaranteed loans, LGY can directly intervene with loan servicers to pursue all available loss-mitigation options.

Consumer Financial Protection Bureau—Servicemember Affairs Office
www.consumerfinance.gov/servicemembers/
Servicemembers should be able to accomplish their mission without worrying about illegal or harmful financial practices. The Office of Servicemember Affairs is here to ensure that military personnel and their families have a voice at the Consumer Financial Protection Bureau. Military life can have some extra challenges that can sometimes have powerful financial repercussions.

SECTION 8 – LOAN MODIFICATION OR EXIT STRATEGY?

Section Eight – Objectives

1. Find a good housing counselor
2. Government programs
3. Military options
4. Options to stay in the home
5. The decision to exit
6. After the exit

First, find a free HUD-certified housing counselor to help you make a plan that’s best for you. Avoid scams! HUD-approved housing counseling services are free of charge.

Housing counselors help millions of individuals each year regain their financial footing. These counselors often work for nonprofit organizations and are trained to help you with your financial needs—which can include helping you better manage your debt and finding solutions if you are in foreclosure or pre-foreclosure.

If you are having financial difficulties, the time to act is now. Don't hesitate and don't be ashamed or embarrassed – they are here to help.

- Call the Homeowner's HOPE™ Hotline at (888) 995-HOPE to reach trained housing counselors who can provide free advice and help you develop a plan to avoid foreclosure.
- Call the U.S. Department of Housing & Urban Development (HUD) at (800) 569-4287 or visit their web site for a list of approved housing counselors in your area.
- You also may contact a credit counselor through the Homeownership Preservation Foundation (HPF), a nonprofit organization that operates the national 24/7 toll-free hotline (1.888.995.HOPE) with free, bilingual, personalized assistance to help at-risk homeowners avoid foreclosure. HPF is a member of the HOPE NOW Alliance of mortgage servicers, mortgage market participants and counselors.

Freddie Mac Borrower Help Centers: 877-300-4179
Freddie Mac offers free in-person and telephone support for borrowers whose loans are owned by Freddie Mac.
Fannie Mae Mortgage Help Centers: Make appointment at www.KnowYourOptions.com
Services for borrowers whose loans are owned by Fannie Mae. Free in-person and telephone support.

Fannie Mae for Servicemembers: 866-442-9413
If you do not have a loan(s) owned by Fannie Mae, contact the Homeowners HOPE™ Hotline at 888-995-HOPE or visit the Making Home Affordable website for mortgage assistance.

If you are researching agencies on your own, be sure that you do your due diligence. Unfortunately, there are scam artists who prey on distressed homeowners and can cause a great deal of harm. Some will even try to strip a home’s remaining equity through foreclosure "rescue" scams, which can actually cause homeowners to lose their homes.

Following are important items to consider if you are seeking counseling services on your own:

- HUD-approved housing counseling services are free, look very carefully at what type of services you are being charged for.
- Is the agency accredited by a recognized accreditation organization such as the National Association for Credit Counseling?
- How long has it been in business?
- Does it have audited financial statements?
- Does it have a community presence? In other words, does it have branches that are open to the public?
- Does it have the required licenses to do business in the state where you live?
- Have complaints been filed with the Better Business Bureau in the community where it is located?
- Does it provide a written "Action Plan" after each counseling session?

GOVERNMENT PROGRAMS

Making Home Affordable Program
The Making Home Affordable Program was created to help millions of homeowners refinance or modify their mortgage payments to a level that is affordable now as well as in the future. If borrower needs a way to make homeownership more affordable, the Home Affordable Refinance or the Home Affordable Modification may be able to help.

Millions of homeowners with Fannie Mae/Freddie Mac loans are eligible for these programs. First, they should determine whether they have a Fannie Mae or Freddie Mac loan:
http://www.FannieMae.com/loanlookup or 800-7FANNIE 8 am to 8 pm E

http://www.FreddieMac.com/mymortgage
HARDEST HIT FUND -- HHF

Housing Financing Agency (HFA) Mortgage Assistance Programs

In 2010, the federal government created the Hardest Hit Fund™ to help state Housing Finance Agencies (HFAs) provide financial assistance to homeowners in states hit hardest by the housing crisis and economic downturn. States were chosen either because they are struggling with unemployment rates at or above the national average or steep home price declines greater than 20 percent since the housing market downturn.

Programs that are supported by the Hardest Hit Fund vary by state – as do requirements for eligibility – and may include:

- Mortgage payment assistance if you are unemployed or underemployed
- Mortgage reinstatement programs to help you get current on your mortgage
- Modification assistance to help you secure a more affordable mortgage
- Assistance to help you transition into more affordable housing

To see if your state received Hardest Hit Funds, and if so whether you may qualify for financial assistance through your state’s Hardest Hit Fund, visit the web site and reach out to your state’s HFA for more information.

BENEFITS of HHF

Hardest Hit Fund programs vary state to state, but may include the following:

- Mortgage payment assistance for unemployed or underemployed homeowners
- Reinstatement assistance to help homeowners catch up on their mortgage payments
- Modification assistance funds to help homeowners pay down the principal balance of a mortgage loan and allow for a more affordable monthly payment
- Funding to eliminate homeowners' second lien loans
- Help for homeowners who are transitioning out of their homes and into more affordable places of residence

Homeowners in the following states (and District of Columbia) may be eligible for assistance:

- Alabama
- Kentucky
- Ohio
If you are a homeowner in one of these areas, visit the state websites above or the Hardest Hit Fund website provided by the U.S. Department of Treasury to learn about Hardest Hit Fund opportunities in your area.

**NEIGHBORHOOD STABILIZATION PROGRAM**

Many state and local housing authorities offer financing programs that can assist you with the down payment and purchase of your new home. The government’s Neighborhood Stabilization Program (NSP) provides homebuyer funds through special financing programs.

Some benefits include:

- $500 Earnest money requirement for individuals using NSP funds. Fannie Mae waives the earnest money requirement.
- Once an offer using NSP funds is accepted, buyers have the opportunity to renegotiate after receiving an NSP required Uniform Residential Appraisal value for the property.
- The standard closing period for a public funds offer is 45 days, which allows time to fulfill the NSP requirements for funding.
- Buyers using public funds to purchase a home without competition from investors during the First Look marketing period (typically the first 15 days on the market).

**Military Options**

If you’re a service member struggling with your mortgage payment, you may qualify for a special military hardship. Additionally, military service members have protection against foreclosure for 9 months following termination of active duty. (Be sure to check the latest information. This date sometimes gets extended.)

**Military Forbearance**

If you’re facing a financial hardship due to injury (or injury of a spouse) in active duty or have been affected by a call-up of the National Guard or other state-supported military unit, a military forbearance may be an option.
What is a Military Forbearance?

A forbearance is an agreement between you and your mortgage company to temporarily suspend or reduce your monthly mortgage payments during the forbearance period (which can continue for the entire term of your active duty and for another three months after you're released). This option lets you deal with your short-term financial problems by giving you time to get back on your feet and bring your mortgage current.

With a military forbearance, you may qualify for additional benefits such as a longer forbearance period with no adverse impact to your credit score (all credit reporting related to your mortgage loan will be suspended during the forbearance period).

What are the benefits?

- Lower or temporarily suspend your monthly payment for up to 6 months—giving you time to improve your financial situation and get back on your feet
- No adverse credit reporting (related to your mortgage loan) during the forbearance period
- Stay in your home and avoid foreclosure

How does it work?

A military forbearance reduces your monthly mortgage payment—or suspends it completely—during the forbearance period (which can continue for the entire term of your active duty and for another three months after you're released). If you qualify for forbearance, you and your mortgage company will sign an agreement that will outline the forbearance terms:

- length of forbearance period,
- reduced payment amount (if the payment is not suspended), and
- the terms of repayment.

After the forbearance period has ended, you will need to repay the amount that was reduced or suspended. However, you usually have a few ways you can repay—moving the payments to the end of your mortgage, which will lengthen the term; making a one-time payment for the amount; or adding a specific amount to your payments each month until the entire amount is repaid (see Repayment Plan for more information).

If you are still struggling with your mortgage payments after the forbearance period is over, you may be able to qualify for a modification that would permanently change the terms of your mortgage.
Contact the Fannie Mae Military Support Hotline—If you need additional information or want to speak with someone right away, call 877-MIL-4566 (877-645-4566) and tell them you are in the military.

OPTIONS TO STAY IN THE HOME

Your lender will work with you to determine if you are eligible for any of the following workout options. Keep in mind that your lender wants to help you; they do not want your home.

1. Refinance
2. Forbearance
3. Reinstatement
4. Repayment Plan
5. Modifications

1. Mortgage Refinance

If you have an adjustable-rate mortgage that is adjusting or want to secure a lower interest rate than your current mortgage, refinancing may be able to reduce your monthly payments to a more sustainable level. If you have not missed any mortgage payments, refinancing can completely replace your current mortgage loan and provide you with new terms and a new monthly payment.

Refinancing may make sense if you:

- Have enough equity in your home to qualify for a new loan.
- Are current on your mortgage payments.
- Have acceptable credit.
- Want to secure a lower rate, longer term or a different type of loan.

Home Affordable Refinance Program

If you are unable to qualify for a mortgage refinance, you may be able to refinance through the Home Affordable Refinance Program (HARP), part of the federal Making Home Affordable Program.

HARP may make sense if you:

- Have a loan that is owned by Freddie Mac or Fannie Mae. Visit their Loan Look-up tool at www.freddiemac.com or www.fanniemae.com to see if they own your loan.
- Have little or no equity in the home.
- Have the financial ability to afford the new payments.

If your loan is owned by Freddie Mac, learn more about our implementation of HARP on our website.

1. Reach out to your existing lender as soon as possible and let them know you are interested in refinancing through HARP. Refinancing through your existing lender provides the most
streamlined processing. Freddie Mac provides contact information for many lenders that work with their existing borrowers for a HARP refinance on their website.

2. If your lender is not listed, it doesn't mean they don't offer HARP. Reach out to them using the contact information on your monthly mortgage payment and ask if they offer HARP.

3. If your lender does not offer HARP, review Freddie Mac’s list of additional HARP lenders to find a lender that may be able to help you.

More information on Freddie Mac website:

- View their list of the most frequently asked questions about this program.
- Find a HARP lender.

2. Forbearance

If you are facing a short-term financial hardship and need temporary assistance with your mortgage, your lender may offer you a "forbearance." With this option, your lender is temporarily reducing or suspending your mortgage payments for up to six months while you get back on your feet.

Forbearance may make sense if you:

- Are facing a short-term financial hardship.
- Think you may fall behind on your mortgage payments, or have already missed one or two payments.

Forbearance is often combined with a reinstatement or a repayment plan to pay off the missed or reduced mortgage payments when your financial situation has stabilized.

Unemployment Forbearance

Unemployment is a reality that many homeowners currently face. To provide you with a greater measure of security and more time to find new employment, your lender may be able to provide you with short-term unemployment forbearance (6 months) and, if necessary, extended unemployment forbearance for up to an additional 6 months if you are unemployed.

Unemployment Forbearance may make sense if you:

- Have a loan that is owned by Freddie Mac. Visit our Loan Look-up tool to see if we own your loan.
- Are facing financial hardship due to unemployment.
- Are looking for assistance with the mortgage for your primary residence.

If you are unemployed and were or currently are in an existing short-term forbearance plan, you can also be evaluated for an extended unemployment forbearance under this policy.

3. Reinstatement

With a reinstatement, you may be able to make your loan current and avoid foreclosure if you have the funds to repay the missed payments on your mortgage and any associated fees and late charges (typically a lump sum payment on a specific date).
A reinstatement may make sense if you:

- Are recovering from a short-term financial hardship.
- Are behind on your mortgage and have received a notice of default.
- Can demonstrate to your lender that you can repay your debts and afford your monthly mortgage payment.

Be aware that there may be late fees and other costs associated with a reinstatement plan.

Reinstatement is often combined with forbearance when you can show that funds from a bonus, tax refund, new employment or other source will become available at a specific time in the future.

4. Repayment Plan

If you are a few months behind on your mortgage due to a short-term financial setback, but are now financially secure, you may be eligible for a repayment plan. This option will enable you to make up your missed payments, and late fees, over a fixed amount of time by combining a portion of what is past due with your regular monthly payment. By the end of the repayment period you will have paid back the amount of your mortgage that was delinquent.

A repayment plan may make sense if you:

- Have recovered from a short-term financial hardship that caused you to miss a few mortgage payments and receive a notice of default.
- Can demonstrate to your lender that you have the funds to repay past-due amounts – along with any associated fees and late charges – and can afford your mortgage payments.

Repayment plans are often combined with forbearance when you can show that funds from a bonus, tax refund, new employment or other source will become available at a specific time in the future.

5. Modification

For homeowners who are several months behind on their mortgage – or expect to fall behind soon – a loan modification of the mortgage terms may provide a solution. With a loan modification, you and your mortgage company will have a written agreement that changes one or more of the original terms of your note (such as the interest rate or duration of loan) to make your payments more affordable and sustainable.

A modification may make sense if you:

- Are not current on your mortgage.
- Do not qualify for the federal Home Affordable Modification Program (HAMP).
- Do not qualify for the federal Home Affordable Refinance Program (HARP).
- Can afford the modified mortgage payments.

Home Affordable Modification Program (HAMP)
If you're behind in your mortgage payments, in the foreclosure process, or current on your payments but are about to default due to a recently experienced hardship, you may be able to modify your loan to a lower rate through the Home Affordable Modification Program (HAMP), part of the federal Making Home Affordable Program.

HAMP may make sense if you:

- Have a loan that is owned by Freddie Mac, Fannie Mae or a participating lender. Visit their Loan Look-up tool to see if they own your loan.
- Took out your mortgage on or before January 1, 2009.
- Currently live in the property as your primary residence.
- Do not qualify for the federal Home Affordable Refinance Program (HARP).
- Are behind on your mortgage, or you are current but will be unable to afford your mortgage payments because of a documentable financial hardship.
- Spend more than 31 percent of your pre-tax income on your mortgage payment (including principal, interest, taxes, insurance and homeowner's association dues).

Since May, some Fannie Mae servicers have offered “streamlined modification” to eligible borrowers who are at least 90 days delinquent, and who have been unable to provide a complete documentation package after repeated attempts by servicers to collect the documentation. This modification option simplifies the application process and reduces documentation requirements -- two hurdles Fannie Mae’s research has shown impede successful modification.

They found a significant gap between what borrowers thought was a completed documentation package and what the actual servicer requirements were for a completed documentation package. In one survey, more than half of homeowners believed they submitted all the necessary documentation. On the servicers’ side, only 5% considered the documentation complete.

For homeowners struggling to avoid foreclosure and make their way through the application process to pursue a modification, a streamlined modification is an effective solution. Like offers for standard modifications, streamlined modification solicitations offer a trial period plan and payment amount. Borrowers can begin paying under the plan immediately – without documenting their hardship, income, or financial circumstances.

Streamlined modification offers a chance for a quick resolution to resolve mortgage delinquency.

As of July 31, more than 11,000 borrowers were in their initial three-month trial period plan under the program, and by the end of August that number had reached 18,000. Additionally, as many as 30,000 pre-qualified candidates for the program have been identified by Fannie Mae.

A good portion of our borrowers needed a modification, but were struggling to pull together the required documentation. Streamlined modification cuts through the red tape of documentation requirements and simplifies the process for many homeowners – especially those with a hardship and hard-to-document income sources.

Be aware that all workout options affect your credit rating and some affect it more than others. You should discuss all potential impacts with your lender. You may also visit www.myfico.com for more information about your credit and how alternatives to foreclosure may affect it.

If your home eventually forecloses in spite of best efforts....
Ask your lender if they offer a program that would allow you to rent back the home you lost to foreclosure, allowing you and your family to continue living in your current home while giving you time to find a new place to live.

If the bank that owns your recently-foreclosed home needs you to vacate the property, ask them about programs that can help you access funds for relocation. Some lenders provide financial incentives if you can leave the property quickly and in good condition.

If you’re having difficulty finding an affordable place to live, the U.S. Department of Housing and Urban Development (HUD), along with other federal agencies, can assist you, [www.hud.gov/homeless/](http://www.hud.gov/homeless/). There are funded programs that provide a range of services for people in need, including shelter, food, counseling and job skill programs.

**THE DECISION TO EXIT AND AVOID FORECLOSURE**

Homeowners who are struggling with their mortgage payments are facing tough choices—do you stay in a home you may no longer be able to afford or should you try to leave? While it may be difficult to think about leaving your home and making this decision, it may be the best option if other solutions to keep you in your home are no longer viable.

Don’t just walk away from your home.

There are better options. The most important thing is to avoid foreclosure—and options may be available to assist you if you are ready to leave your home. Some options may even offer cash incentives to help you move and transition into different housing. Now’s the time to take action before it’s too late.

**SHORT SALE**

A Short Sale, also known as a pre-foreclosure sale, is when you sell your home for less than the balance remaining on your mortgage. If your mortgage company agrees to a Short Sale, you can sell your home and pay off all (or a portion of) your mortgage balance with the proceeds.

A Short Sale is an alternative to foreclosure and may be an option if:

- You are ineligible to refinance or modify your mortgage
- You are facing a long-term hardship
- You are behind on your mortgage payments
- You owe more on your home than it's worth
- You have not been able to sell your home at a price that covers what you still owe on your mortgage
- You can no longer afford your home and are ready or need to leave

What are the benefits of a Short Sale?

- Eliminate or reduce your mortgage debt
- Avoid the negative impact of foreclosure
- Start repairing your credit sooner than if you went through a foreclosure
- May be able to get a Fannie Mae mortgage to purchase a home sooner (in as little as 2 years) than if you went through foreclosure (up to 7 years)
- Eliminate or reduce your remaining mortgage debt
- Assistance for relocation may be available
What is the process for a Short Sale?

If you qualify for this option, the process is similar to a normal real estate sales transaction. You will work with a real estate agent to market and sell your home. However, your mortgage company will also be working with you and your real estate agent every step of the way to:

- set the sale price (based on current market value),
- collect financial information and negotiate with other lien holders (i.e., your second mortgage company) if applicable,
- review acceptable offers,
- agree to the terms of the sale once a buyer is in place, and
- work with the buyer’s real estate agent and mortgage lender to finalize the sale.

In some cases, you may be eligible to receive relocation assistance to use toward your moving expenses and to make the transition to new housing easier.

A Short Sale may take up to 120 days, but this could be shorter or longer depending upon your specific situation. If you are unable to sell your home, you may be able to transfer the ownership of your property to the owner of your mortgage (also called a Deed-in-Lieu of Foreclosure).

Tax Considerations

Since state-specific laws come into play for these transactions, meticulous advice should be sought from a trusted tax advisor. The short sale transaction could result in a deficiency judgment against the seller, depending on state laws. This problem may go away for the military seller whose PCS resulted in the difficulty causing the short sale, but as of this writing it has not.

Debt secured by property is either recourse or non-recourse, and this varies by state.

Recourse: If property is relinquished for satisfaction of a debt, the creditor can still pursue the debtor. The debt relief is considered proceeds of a sale, using Fair Market Value of the property, and the debt discharge is considered income for the balance.

Non-recourse: Debtor can hand over the keys to the creditor and walk away. The entire sale price is considered proceeds of the sale.

If your home was foreclosed because the value plummeted after the purchase, it’s probably as non-deductible loss. Even an unlikely gain would probably qualify for an exclusion up to $250,000 for singles or $500,000 if married.

News Facts

- Freddie Mac's new short sale timelines require servicers to make a decision within 30 days of receiving either 1) an offer on a property under Freddie Mac's traditional short sale program or 2) a completed Borrower Response Package (BRP) requesting consideration for
a short sale under HAFA or Freddie Mac's traditional short sale program. (BRPs are standardized assistance applications developed as part of the Servicing Alignment Initiative.)

- If more than 30 days are needed, borrowers must receive weekly status updates and a decision no later than 60 days from the date the complete BRP is received. This will help servicers who may need more time to obtain a broker price opinion or a private mortgage insurer's approval on a BRP or property offer.
- In the event a servicer makes a counteroffer, the borrower is expected to respond within five business days. The servicer must then respond within 10 business days of receiving the borrower's response.

DEED-IN-LIEU

A deed-in-lieu is where the homeowner voluntarily transfers ownership of their property back to the owner of the mortgage in exchange for a release from the mortgage loan and payments. Options are available (sometimes with a relocation assistance) to help you leave the home immediately; stay in the home for up to three months without paying rent; or lease the home (at market rates) for up to one year. Depending on your situation, you may be required to make a financial contribution to receive release of your mortgage.

Deed-in-lieu (DIL) is an alternative to foreclosure and should be considered if:

- You are ineligible to refinance or modify your mortgage
- You are facing a long-term hardship
- You are behind on your mortgage payments or will fall behind in the near future
- You owe more on your home than it’s worth
- You don’t want to sell your home or haven’t been able to sell your home
- You can no longer afford your home and you are ready to leave

Benefits:
- Eliminate your mortgage debt
- May be eligible for relocation assistance up to $3,000
- Start repairing your credit sooner than if you went through a foreclosure
- May be able to get a Fannie Mae mortgage to purchase a home sooner (in as little as 2 years) than if you went through foreclosure (up to 7 years)
- Some possible flexible exit options let you choose to vacate immediately, stay for up to three months (without paying rent), or lease the home (at market rates) for up to one year

To qualify for Deed-in-lieu, you’ll work with your mortgage company to:

- complete the eligibility process, such as determining the value of the property and how much you still owe as well as reviewing your current hardship
- review the options available (your mortgage company will help you choose the best option for your situation)

If approved, you will be required to sign standard pre-closing documents as well as attend the closing. A DIL usually takes around 90 days to complete, but this could be shorter or longer depending upon your specific situation.
Your next steps depend on which option you’ve qualified for. These include immediately vacating the home, staying in the home for up to three months (no rent), or leasing the home (paying market-based rent monthly) for up to one year.

Additionally, when you vacate the home at the agreed-upon date, you are required to leave the home—inside and outside—in good condition, free of interior and exterior trash, debris or damage, and all personal belongings must be removed. In some cases, you may be eligible to receive up to $3,000 relocation assistance to use toward your moving expenses and to make the transition to new housing easier.

Make sure you have your basic financial and loan information on hand when you call your mortgage company to find out if you qualify:

- your mortgage statements, including any second mortgage if applicable
- your other monthly debt payments (car, credit card payments, etc.)
- income details, such as pay stubs and income tax returns

**Freddie Mac “REO Rental Initiative”**

Freddie Mac's REO Rental Initiative will give qualified families living in recently foreclosed eligible properties acquired by Freddie Mac the opportunity to sign a new month-to-month lease with Freddie Mac, allowing them to stay until they can find a new place to live or the home is sold.

Eligible properties under the REO Rental Initiative must be in good condition and meet all applicable health and safety building codes or can be brought into suitable condition within a reasonable amount of time and expense. The properties will be inspected by a trusted business partner of Freddie Mac that will also be responsible for preparing leases and responding to tenant requests and concerns.

**To qualify for the REO Rental Initiative, the potential tenant must:**

1. Demonstrate the ability to pay market rent on the property.
2. Pass a background check.
4. Allow an inspector to enter and inspect the home.
5. Sign a property-condition disclosure at inspection and allow contractors to repair deficiencies in the property, if necessary.
6. Cooperate with marketing activities; allow the property to be shown to prospective buyers and real estate agents, keep the home clean and safe as well as meeting state and local code requirements.

**Relocation Assistance**

If an occupant chooses to vacate the property, Freddie Mac may offer financial assistance to help them move. Occupants accepting relocation assistance must leave the property by a specified date, in "broom-cleaned" condition and free of personal belongings or debris as well as comply with the other terms and conditions of the relocation assistance agreement.
AFTER THE EXIT..... THEN WHAT?

Get back on track!

- Find a new place to live
  - May need a larger deposit
  - Consider lease with option to buy

- Reevaluate your spending and saving
  - How much money do you need to live
  - How much debt do you need to re-pay

- Get help to plan your approach
  - Find a HUD-approved counseling agency, www.hud.gov

- Rebuild your credit
  - Begin to rebound in two years
  - Fix credit errors on credit report
  - Beware of “Credit Repair” companies that fix for a fee

- Consider homeownership in the future
  - Be better prepared
  - Take the “Military Saves Pledge” (www.militarysaves.org)
    ✓ “I will help myself by saving money, reducing debt, and building wealth over time. I will help my family and my country by encouraging other Americans to Build Wealth, Not Debt”

- Take control of your financial future
  - Establish goals
  - Stay focused

FOR MORE INFORMATION:

- Freddie Mac CreditSmart curriculum
  Consumer guide to better credit, money management and responsible homeownership; www.FreddieMac.com/CreditSmart to download resources

- Avoid scams
  FreddieMac.com/avoidfraud

- Find a HUD-approved housing counseling agency: www.hud.gov or 800-569-4287

- Reputable real estate professional or lender to learn more about the home buying process

- Step-by-step guide to improving credit, visit Credit Education Center at www.myfico.com

- “About Homeownership” – Freddie Mac guide to home buying process and successful homeownership: www.FreddieMac.com/homeownership
SECTION 9 -- BONUS: YOU’RE THE LOCAL MILITARY EXPERT!

As a Certified Military Home Specialist, you can help make sure our "National Heroes," our military servicemen and women, have home loans they can live with.

Caption, example story in local newspaper:

"Another military family has a home tonight, courtesy of Michael Patriot, Patriot Realty and their team of local Certified Military Home Experts."

This replicatable system can be implemented in all branch offices. You are only limited by your imagination and the generosity of your particular community. Reach out to the leaders in your area (Mayor, Chamber of Commerce, Rotary, etc.), have them help spread the word and credibility of the program. Give your community "ownership" of the program. If neighborhoods work together to make the program their own, THEY will make sure it works! Even if every real estate and finance office in town is participating, you can still advertise what YOU are doing and your own running total of contributions to your local military heroes. List on your website what all has been donated because of you and/or your office. You will be listed on our website too, as a "Supporter of our national heroes."

Ways to help.....

Hold a "ribbon-cutting ceremony" for the new home owner; use the photo in an ad or news story, and on your website. List all the businesses who donated something at the bottom. They'll probably chip in with your company to pay for the ad or split the cost.

Consider donating a portion of each commission check to Boots Across America through the Certified Military Home Specialist Program. We'll keep a running total on the website to show how much this program has raised and donated to our military men and women through Boots. Companies and individuals will be listed. Some individuals have agreed to have donations made straight through the closing HUD settlement form. The title company will send the check straight to Boots Across America. Some offices will make matching donations.

More ways to help:

1. Advertise your services to the family members every way you can. Contact the military base Public Affairs Office. Ask them to write an article about your "local military housing experts" and how you're helping our military family members. Tell them the military men and women need to know about this valuable new service available to them through trained, certified housing professionals. Do the same with the local Guard & Reserve units by asking them to run the information in their newsletters. Visit the base Housing Office, Chaplains Office, American Legion, VFW, Spouse Club, wherever you might reach them. Get your press release into the base newspapers, along with your local paper. Do "Lunch & Learns," seminars or speaking engagements for the families. Bring along the other members of your local Military Home Specialists Team. Don’t worry, if you can’t get access on base, use facilities just outside base.
2. **Don't limit yourself.** Reach out to any areas where you can do business. Get some other housing professionals to work with you. Besides loan officers and Realtors, appraisers & home inspectors like to take the course too, so they understand the life and language. It helps them to build rapport. Some title companies put their entire closing teams through the course, then they can market themselves as part of the "local military home experts."

3. A great marketing piece: Have a group photo of the "Local Military Home Experts." Assemble the entire team: loan officer, Realtor, appraiser, title company, home inspector, etc. Make sure every member of the team offers a military discount. Have everyone listed in number four below become "second tier" members of your team, listed in the ad or story.

4. **Canvas your area** and see what companies and businesses might like to donate something to each new military home owner:
   a. Local restaurant: feed the family a free dinner on move-in day; suggest the restaurant donate a portion of every sale on "move-in day" to military families through USA Cares MFHE Program. This is great PR!
   b. American Legion hosts "Welcome Reception" for new family
   c. Local Scout Troup holds "Clean up day" to ensure the home's curb appeal; earn badges
   d. Local school kids assemble backpack of school supplies for each child in new family; if no kids, give pet supplies or whatever
   e. Local grocery donates food for first dinner prepared in new home
   f. Local bakery donates first breakfast in new home
   g. Local gym, 3 month membership
   h. Merry Maids, one free house cleaning
   i. Local painters donate painting time
   j. Sears, donate lawnmower
   k. Penske Truck Rental/U Haul
   l. Spa, one free massage and toiletry gift basket
   m. Lowes, Home Depot, Walmart, Target, gift certificates
   n. Blinds.com, free window coverings
   o. Pizza Hut, Taco Bell, Wendy’s
   p. Feeders Supply or Pet Smart, free dog washing
   q. Landscape company, one month free lawn service
   r. Patio furniture company, free back yard swing, chimenea or whatever
   s. One free furnace & air conditioner check
   t. Area business coupon book: free oil change, haircut, doughnuts, movie rental (businesses are responsible to do this booklet themselves)
   u. Unlimited number of participants! If you can think it, you can do it!
YOUR TEAM CAN HELP STRENGTHEN INDIVIDUAL NEIGHBORHOODS AND COMMUNITIES AROUND THE NATION!

Certified Military Home Specialists represent a commitment on their part to provide a quality experience to military borrowers.

As the military lending or housing specialist in your community, show your patriotism and expertise by displaying your Certificate of Completion for the Certified Military Home Specialist Course. Use the Boots Across America logo and your certification seal on handouts for clients to show your professionalism.

Participation in the Certified Military Home Specialist program should result in several positives for lenders, Realtors and the community....

- Increase competitive ability in military & retiree markets;
- Generate positive publicity within their respective communities;
- Provide lending community and housing professionals a better appreciation for the unique lifestyle of the military;
- Provide knowledge base regarding military pay, allowances and other special compensations applicable to active duty and veterans;
- Ensure more qualified military and veteran service members get adequate and affordable housing for their borrowed dollars;
- Ultimately, fewer military family homes being foreclosed.

Boots Across America will maintain a listing of Certified Military Home Specialists on its website. This list announces to military families where they can find those professionals who know how to service them and their unique needs. These housing pros will help everyone involved in the transaction move toward a smooth and timely closing, and that's appreciated all around.

At the end of the day, you can feel proud to have done your part to help put military families into their own homes.

"Helping those who defend our homes, to have one of their own!"
Section 9 – JUST THE FACTS, PLEASE

****RATE YOUR CERTIFIED MILITARY HOME SPECIALIST****

Company: ____________________________________________
Address: ____________________________________________
Loan Officer/Realtor: _________________________________
Date of Service: ________________________________
Where did you hear about your Housing Specialist:

Did your Housing Pro contact you promptly? Yes No

Please rate these questions from 1 to 5 with 5 being best:
1. Were you treated fairly & with respect? 1 2 3 4 5
   If not, please comment:
   ______________________________________________________

2. Was the process explained clearly? 1 2 3 4 5

3. Were you kept informed until your closing? 1 2 3 4 5

4. Did your loan close on time? Yes No
   If not, why not? _______________________________________

5. How likely are you to recommend this company & housing professional to your friends and family? 1 2 3 4 5

Would you grant us permission to use your comments, including first name, city & state, to help promote the Certified Military Home Specialist Course? Yes No

Your Name & Contact Info: __________________________________________________________

OTHER COMMENTS:
_____________________________________________________________________________
_____________________________________________________________________________
Servicemembers Civil Relief Act Notice Disclosure

Legal Rights and Protections Under the SCRA

Servicemembers on “active duty” or “active service,” or a dependent of such a servicemember may be entitled to certain legal protections and debt relief pursuant to the Servicemembers Civil Relief Act (50 USC App. §§ 501-596) (SCRA).

Who May Be Entitled to Legal Protections Under the SCRA?

• Active duty members of the Army, Navy, Air Force, Marine Corps, Coast Guard, and active service National Guard;
• Active service members of the commissioned corps of the National Oceanic and Atmospheric Administration;
• Active service members of the commissioned corps of the Public Health Service;
• United States citizens serving with the armed forces of a nation with which the United States is allied in the prosecution of a war or military action; and
• Their spouses.

What Legal Protections Are Servicemembers Entitled To Under the SCRA?

• The SCRA states that a debt incurred by a servicemember, or servicemember and spouse jointly, prior to entering military service shall not bear interest at a rate above 6 percent during the period of military service, and to a one year period following the end of the service member’s military service.

• The SCRA states that in a legal action to enforce a debt against real estate that is filed during, or within 9 months after the servicemember’s military service, a court may stop the proceedings for a period of time, or adjust the debt. In addition, the sale, foreclosure, or seizure of real estate shall not be valid if it occurs during, or within 9 months after the servicemember’s military service unless the creditor has obtained a court order approving the sale, foreclosure, or seizure of the real estate.

• The SCRA contains many other protections besides those applicable to home loans.

How Does A Servicemember or Dependent Request Relief Under the SCRA?

• In order to request relief under the SCRA, a servicemember or spouse, or both, must provide a written request to the lender, together with a copy of servicemember’s military orders. [Note: Lender should place its name, address and contact information here].

How Does a Servicemember or Dependent Obtain Information About the SCRA?

• The U. S. Department of Defense’s information resource is “Military OneSource”. Website: http://www.militaryonesource.com
  The Toll Free numbers for Military One Source are:
  o From the United States: 1-800-342-9647
  o From outside the United States, please go to the website, http://www.militaryonesource.com, and follow the country specific OCONUS instructions
  o International Collect (through long distance operator): 1-484-530-5908
• Servicemembers and dependents with questions about the SCRA should contact their unit’s Judge Advocate, or their installation’s Legal Assistance Officer. A military legal assistance office locator for all branches of the Armed Forces is available at http://legalassistance.law.af.mil/content/locator.php
SCRA CHECKLIST

The Servicemembers Civil Relief Act (SCRA) protects persons serving on active duty from adverse consequences to their legal rights that may result from such service. Some SCRA protections apply to reservists and guardsmen called to serve on active duty. Other protections apply to members who have always been on active duty while some protections apply to military dependents.

This checklist will assist legal practitioners in ascertaining if specific protections apply to you. If so, you must take action either before or during your activation to be afforded some protections, while other protections allow you to take action within 30 to 180 days after completing an active duty assignment.

CHECK ALL THAT APPLY

Administrative or Court Proceeding: Are you involved in an administrative proceeding of any kind or a civil court case that you wish to postpone while serving on active duty or within 90 days after completing an active duty assignment?

Automobile Lease: Do you wish to terminate an automobile lease that was entered into before: (1) being called to active duty for a period of 180 or more days; or (2) receiving orders for a permanent change of duty station outside the U.S.; or (3) from a state outside CONUS to a state outside that state or (4) deploying with a military unit for 180 days or more?

Rental Lease: Do you wish to terminate a rental lease that was entered into before: (1) being called to active duty; (2) receiving orders for a permanent change of duty station; (3) deploying with a military unit for 90 days or more; or (4) separating or retiring from the military?

Contracts: Is a creditor threatening to terminate an installment contract for the purchase, lease or bailment of real or personal property, such as an automobile, that you entered into before serving on active duty?

Eviction: Are you or your dependents being threatened with eviction from your primary residence while serving on active duty?

Foreclosures and Forced Sales: Is a mortgagor or lien holder attempting to foreclose a mortgage or enforce a lien on property you acquired before serving on active duty?

Interest Rates: On purchases you made before serving on active duty, are you paying an interest rate of over 6%—including credit cards and mortgages but not student loans?

Insurance: Are you having difficulty paying private professional, health or life insurance premiums, or has your insurance been terminated, while on active duty?

Judgments: Has a court judgment been entered against you while on active duty, or do you anticipate that a judgment might be entered against you while on active duty?

State & Federal Income Taxes: Are you having difficulty paying income taxes while on active duty? Are you paying state taxes based on your military income or other property, such as a car, to a state other than your home state of legal residency?

1 WWW.BANKERSONLINE.COM SCRA CHECKLIST FROM US AIRFORCE
“YOUR RIGHTS UNDER USERRA” POSTER

YOUR RIGHTS UNDER USERRA
THE UNIFORMED SERVICES EMPLOYMENT
AND REEMPLOYMENT RIGHTS ACT

USERRA protects the job rights of individuals who voluntarily or involuntarily incur employment penalties to undertake military service or certain types of service in the National Disaster Medical System. USERRA also prohibits employers from discriminating against past and present members of the uniformed services, and applicants to the uniformed services.

REEMPLOYMENT RIGHTS
You have the right to be reemployed in your civilian job if you leave that job to perform service in the uniformed service and:

☆ you are discharged from the uniformed services;
☆ you are eligible to be reemployed;
☆ you have been separated from service for a disqualifying discharge or under other than honorable conditions.

If you are eligible to be reemployed, you must be restored to the job and benefits you would have attained if you had not been absent due to military service or in some cases, a comparable job.

HEALTH INSURANCE PROTECTION
If you leave your job to perform military service, you have the right to elect to continue your existing employer-based health plan coverage for you and your dependents for up to 24 months while in the military.

☆ Even if you don’t elect to continue coverage during your military service, you have the right to be reinstated in your employer’s health plan when you are reemployed, generally without any waiting periods or exclusions (e.g., pre-existing condition exclusions except for service-connected illnesses or injuries).

ENFORCEMENT

☆ The U.S. Department of Labor, Veterans Employment and Training Service (VETS) is authorized to investigate and resolve complaints of USERRA violations.

☆ For assistance in filing a complaint, or to get any other information on USERRA, contact VETS at 1-866-4-VETS-000, or visit its website at http://www.dol.gov/vets. An interactive online USERRA Advisor can be viewed at http://www.dol.gov/elaws/userr.htm.

☆ If you file a complaint with VETS and VETS is unable to resolve it, you may request that your case be referred to the Department of Justice or the Office of Special Counsel, as applicable, for representation.

☆ You may also bypass the VETS process and bring a civil action against an employer for violations of USERRA.

RIGHT TO BE FREE FROM DISCRIMINATION AND RETALIATION

If you:

☆ are a past or present member of the uniformed service;
☆ have applied for membership in the uniformed service, or are obligated to serve in the uniformed service;
then an employer may not deny you:
☆ initial employment;
☆ reemployment;
☆ reinstatement in employment;
☆ promotion; or
☆ any benefit of employment because of this status.

In addition, an employer may not retaliate against anyone assisting in the enforcement of USERRA rights, including testifying or making a statement in connection with a proceeding under USERRA, even if that person has no service connection.

The rights listed here may vary depending on the circumstances. The text of this notice was prepared by VETS, and may be viewed on the Internet at this address: http://www.dol.gov/vets/programs/userr.htm. Federal law requires employers to notify employees of their rights under USERRA, and employers may meet this requirement by displaying the text of this notice where they customarily post notices for employees.

U.S. Department of Labor 1-866-487-2363
U.S. Department of Justice Office of Special Counsel 1-800-336-4590
Publication Data—July 2003
SAMPLE PRESS RELEASE…..
Feel free to edit this copy for your own personal and company use, making applicable changes. You may use our logo on your advertising pieces. You may link to our website, www.BootsAcrossAmerica.org. Your name and contact info will be listed, by state and city, as a Certified Military Home Specialist.

(INsert your name) has earned certification as certified military home specialist
Course educates housing professionals on the unique circumstances of the military homebuyer

(Your Town, State) Boots Across America’s national certification course educates loan officers, realtors and housing professionals with a clear understanding of how to work with military clients. (Your Company’s Name) is pleased to have a Certified graduate (or several graduates; edit to use names) of this program and to offer the level of expert customer service to military men and women that they have earned and deserve. The Boots Across America Certified Military Home Specialist Course provides the tools and knowledge needed to effectively work with military borrowers, especially in a fast-paced and competitive market. It also includes timely advice for housing professionals regarding foreclosure prevention, with tips they can give their clients to help them avoid mortgage delinquencies in the future.

This course results in greater numbers of military families attaining affordable homes through knowledgeable professionals who understand the unique circumstances brought about by military service.

The course’s author, Beverly Ray Frase, has a strong background as loan officer, real estate broker and career army wife. “I’ve been on all sides of the home buying process,” says Beverly. “I know where the speed bumps are, especially for our military men and women. Working with a certified housing professional should move them down the path to an accurate and timely closing.”

(INsert your photo here. Include a personal quote of why this designation is important to you and why you want to help military personnel.)

The course helps all housing professionals make sense of the military language, rank and pay system. It even outlines what happens when a servicemember is injured, and explains how their pay will continue during hospitalization and treatment. Earning the Certification of Military Home Specialist indicates a significant knowledge base that active duty servicemembers and veterans can rely on for prompt and accurate service of their housing needs. Certified Housing Professionals represent a commitment to provide quality service to military borrowers.

(Add specifics for you & your company here.)
MAP OF DEPLOYED SERVICEMEMBERS NATIONWIDE

Source: Defense Manpower Data System
CREDITS

Information for this course derived from these sources:

www.dfas.mil
www.about.com
www.military.com
www.wikipedia.com
www.fdac.gov
www.homeloans.va.gov
www.makinghomeaffordable.gov
www.freddiemac.com
www.fanniemae.com
www.myfico.com
Federal Trade Commission
U.S. Department of Labor
Office of Special Counsel
U.S. Department of Justice
U.S. Department of Treasury
U.S. Department of Housing & Urban Development
Homeownership Preservation Foundation, HPF
Office of the Controller of the Currency
U.S. Department of Veterans Affairs
Defense Manpower Data System
Military OneSource
Military Saves
NeighborWorks
Hope Now

Pima County AZ Foreclosure Prevention Coalition

Thank you for your participation in the Certified Military Home Specialist Course. With your new skills, you will make a big difference in the lives that you touch throughout your career. If I can ever help you in any way in your quest to help our military personnel and their families, please feel free to call or email anytime. I'd love to hear about the ways you find to help in your own neighborhood!

The best to you always,

Beverly Ray Frase
Beverly@BootsAcrossAmerica.org
502-475-5544