
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Announces Short Sale Assistance for Military Homeowners with Fannie Mae or Freddie Mac Loans

Washington, DC – Federal Housing Finance Agency (FHFA) Acting Director Edward J. DeMarco today announced changes to short sale policies that will make it easier for military homeowners with Fannie Mae and Freddie Mac loans to honor their financial commitments when they are required to move as part of their duty.

At a news conference with Consumer Financial Protection Bureau (CFPB) Director Richard Cordray, CFPB Assistant Director of Servicemember Affairs Holly Petraeus, and Deputy Assistant Secretary of Defense for Military Community and Family Policy Robert L. Gordon III, DeMarco announced that military homeowners who receive Permanent Change of Station (PCS) orders will be eligible to sell their homes in a short sale even if they are current on their mortgage. PCS orders often require quick moves and can create hardship for military homeowners who are underwater on their mortgages and therefore cannot sell their home without taking a loss. Previously, many service members felt their only option was either to maintain financial obligations on two residences or to default on their mortgage.

“It is in everyone’s interest for the men and women serving in our armed forces to focus on the important job they are doing defending our country, rather than worry about the maintenance and leasing of a property in another jurisdiction,” said DeMarco. “These Fannie Mae and Freddie Mac policy changes, in combination with related guidance last fall, should now provide military homeowners with access to the immediate and automatic full range of foreclosure alternatives.”

DeMarco commended the CFPB and the prudential regulators – the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, and the Office of the Comptroller of the Currency – for issuing a new interagency guidance that reinforces for mortgage servicers the importance of treating military homeowners with PCS fairly.

Under the new policy Fannie Mae and Freddie Mac will not pursue a deficiency judgment or any cash contribution or promissory note from members of the military with a change in duty station for any property purchased on or before June 30, 2012. Service members must have a Fannie Mae or Freddie Mac loan to be eligible.

Last year [Fannie Mae](#) and [Freddie Mac](#) issued guidance to mortgage servicers confirming PCS orders as a qualifying hardship for forbearance and loan modifications.

Service members can check [Fannie Mae](#) or [Freddie Mac](#) websites to see if their loans are held by them or they can call hotlines for military homeowners at 1-877-MIL-4566 or 1-800-FREDDIE.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.