



## ASA DIX LEGAL BRIEF

A PREVENTIVE LAW SERVICE OF THE JOINT READINESS CENTER LEGAL SECTION  
UNITED STATES ARMY SUPPORT ACTIVITY DIX  
**KEEPING YOU INFORMED ON YOUR PERSONAL LEGAL NEEDS**

# HOUSING AND ECONOMIC RECOVERY ACT (HERA)

PUBLIC LAW 110-289—JULY 30, 2008

## Mortgage Foreclosure Protection for Service Members

### Counseling

The Secretary of Defense shall develop and implement a program to advise members of the Armed Forces (including members of the National Guard and Reserve) who are returning from service on active duty abroad (including service in Operation Iraqi Freedom and Operation Enduring Freedom) on actions to be taken by such members to prevent or forestall mortgage foreclosures.

The program shall include the following:

- (1) Credit counseling,
- (2) Home mortgage counseling,
- (3) Such other counseling and information as the Secretary considers appropriate for purposes of the

program.

Counseling and other information under the program shall be provided to a member of the Armed Forces covered by the program as soon as practicable after the return of the member from service. (Section 2202)

### Protections for Service Members Relating to Mortgages and Mortgage Foreclosures.

The act prevents lenders from foreclosing on a veteran's home within nine months after the end of military service. (50 U.S.C. App. 533) Similarly, any proceedings on the home or property of a service member can be stayed for nine months after the end of military service. The interest rate on a mortgage created before entering military service can be no higher than 6% during the term of military service and one year thereafter. (Section 2203)

The amendments made by subsection (a) shall expire on December 31, 2011. Effective January 1, 2011, the provisions of subsections (b) and (c) of section 303 of the Servicemembers Civil Relief Act, as in effect on the day before the date of the enactment of this Act, are hereby revived. (Section 2204)

### Extension of Tax Credit Deadlines

Members of the Armed Forces and certain federal employees serving outside the U.S. have an extra year to buy a principal residence in the U.S. and still qualify for the credit. An eligible taxpayer must buy or enter into a binding contract to buy a home by April 30, 2011, and settle on the purchase by June 30, 2011.

<http://www.irs.gov/newsroom/article/0,,id=215791,00.html>

However, for qualified service members who are ordered on a period of official extended duty, these dates are extended for one year. For these home buyers, the tax credit applies to sales with a binding sales contract in place on or before April 30, 2011 and closed by June 30, 2011.

A person who is forced to return to the U.S. for medical reasons before completing an assignment of at least 90 days of qualified official extended duty outside of the United States may qualify for the one-year extension.

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