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Working Together to Support Our Military Families



Jeffrey Zients
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Every day, the men and women of our military perform incredible service on behalf of our country. And as the President has made clear, just as our service members have made a commitment to America, we have a commitment to them – to have their backs at home while they serve around the world.

A new partnership announced today by President Obama with leading banks and financial services institutions is part of meeting that commitment by making it easier for service members to access important financial protections that will save them money and help protect their financial wellbeing.

In a speech at the American Legion's 96th National Convention today, the President outlined how his Administration and five of the country's largest mortgage servicers are working together to help more members of our active-duty military lower their monthly mortgage payments. Our preliminary analysis suggests that this new partnership will help tens of thousands of military families save money by reducing their mortgage interest rates. On a \$200,000 mortgage, even an interest rate reduction of only 1 percent will result in over \$1,500 a year in savings for our military families – money they can put toward daily expenses, retirement savings, or sending their children to college.

This partnership is about eliminating red tape and streamlining the delivery of the benefits that service members have earned. Under the 2003 Servicemembers Civil Relief Act (SCRA), active-duty service members are eligible to have interest rates on home mortgages and fees for debts they incurred prior to military service capped at 6 percent. But under the law, banks and financial institutions are only required to provide this cap to service members who proactively ask for it and jump through paperwork hoops.

Given the demands on our men and women of the military, many of whom have moved or deployed abroad multiple times, it should come as no surprise that a recent study by the Government Accountability Office found that many service members are not even aware of these rights or haven't been able to take advantage of them. As a result, there are service members paying more than they should at the same time they and their families are giving so much to our country.

The Obama administration set out to resolve this problem by working with private-sector lenders and other government agencies and regulators to figure out how we could make it easier for service members to access their benefits. As the President has said, government can't do it alone. We need individuals and organizations throughout the country to do their part as well.

Following our call to action, executives at the organizations we're working with on this initiative – Wells Fargo Bank, N.A.; Bank of America, N.A.; Ocwen Loan Servicing, LLC; CitiMortgage, Inc.; and Quicken Loans – have done just that, stepping up to go above and

Veterans

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beyond what is required under SCRA and make sure our service members get the protections they deserve. These participating financial institutions will work with the Department of Defense and other government agencies to proactively identify and reach out to eligible active-duty service members to notify them of their benefits and help them get enrolled and saving money quickly and easily. This will provide increased peace of mind, and tangible financial savings, for eligible active-duty service members.

We are committed to taking care of our military families, and this initiative is an example of the concrete impact we can make when the public and private sectors work together to expand the services, resources, and support we provide to our men and women in uniform.

Jeff Zients is Director of the National Economic Council and Assistant to the President for Economic Policy.

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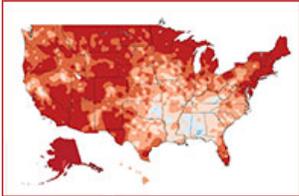
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