

## Press Releases

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September 28, 2001

### OTS 01-66 - OTS Reminds Thrifts About Law Providing Financial Relief to U.S. Military Personnel

#### Office of Thrift Supervision

FOR RELEASE at 12:00 A.M. EDT

For further information

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OTS 01-66

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### OTS Reminds Thrifts About Law Providing Financial Relief to U.S. Military Personnel

WASHINGTON - The Office of Thrift Supervision today reminded thrifts about provisions of the Soldiers and Sailors Civil Relief Act of 1940 that affect certain financial liabilities of military personnel, including in particular military reservists called to active duty, and new members of the armed forces.

Among its provisions, the act requires financial institutions to lower the interest rate to a maximum of six percent for mortgage, auto and other installment loans incurred by those military personnel prior to active duty for the period of military service. The interest rate includes fees and most other charges.

The act also restricts a financial institution's ability to take default judgments and other judicial actions against active duty military personnel as a result of their failure to perform on loan obligations and restricts an institution's ability to foreclose on mortgages entered into before beginning military service.

OTS Director Ellen Seidman encouraged thrifts to become familiar with the terms of the act and to comply with both the technical requirements and the spirit of the law. She noted that some thrifts were considering voluntarily extending some provisions of the law to active duty military personnel deployed to deal with the crisis. OTS reminded institutions that both mandatory and voluntary relief for military personnel must be implemented in a safe and sound manner, such as by establishing appropriate reserves.

CEO Letter 150 - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2001-66a.pdf>

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders

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