



Department of Justice

FOR IMMEDIATE RELEASE
Monday, December 15, 2008
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CRT
(202) 514-2007
TDD (202) 514-1888

The Justice Department Resolves Investigation Under Servicemembers Civil Relief Act of Homecomings Financial, LLC

WASHINGTON - The Justice Department today announced the resolution of its investigation of Homecomings Financial, LLC (Homecomings), under the Servicemembers Civil Relief Act (SCRA). The SCRA suspends or modifies certain civil obligations of individuals serving on active duty in the military.

The Department of Justice initiated its SCRA investigation in response to an inquiry from Master Sergeant Brenda S. Gomez. Master Sergeant Gomez received a permanent change of station order transferring her to a new base. When she sold her home to move closer to the new base, Master Sergeant Gomez requested that Homecomings waive the prepayment penalty on her residential mortgage loan, but her request was denied.

While the Justice Department's investigation was pending, Homecomings agreed to refund Master Sergeant Gomez's \$9,144 prepayment penalty. In addition, Homecomings, which is owned by Residential Funding Company, LLC, and is a subsidiary of GMAC, LLC, implemented a modified policy to waive the prepayment penalties of servicemembers who may find themselves in similar circumstances in the future.

"By adjusting certain civil obligations, the Servicemembers Civil Relief Act allows men and women on active duty to focus on the defense of this Nation," said Grace Chung Becker, Acting Assistant Attorney General for the Civil Rights Division. "The Civil Rights Division is encouraged by the steps Homecomings has taken on behalf of Master Sergeant Gomez and servicemembers nationwide."

Homecomings and GMAC Mortgage, LLC now will waive prepayment penalties upon request on residential mortgage loans obtained by active duty servicemembers who receive permanent change of station orders to bases 30 miles or more from their current residences. This modified policy applies to all loans on owner-occupied properties serviced by Homecomings or GMAC Mortgage, LLC with respect to which one of the following entities retains the contractual right to receive the prepayment penalty: Homecomings or GMAC Mortgage, LLC or either entity's affiliates, including, but not limited to, the Residential Funding Company, LLC and GMAC Bank.

Since 2006, when the Civil Rights Division received enforcement authority for the SCRA from the Attorney General, the Division has reviewed numerous allegations of SCRA violations, has brought one suit under SCRA, and has resolved a number of allegations without the need for litigation. Examples include investigations under the SCRA's provision for a six percent interest rate cap, termination of residential lease agreements, repossession of vehicles without a court order, foreclosure on home mortgage loans without court orders, and waiver of prepayment penalties on home mortgage loans.

Servicemembers and their dependents who believe that their SCRA rights have been violated should contact the nearest Armed Forces Legal Assistance Program office. Please consult the military legal assistance office locator at <http://legalassistance.law.af.mil> and click on the Legal Services Locator. Additional information on the Justice Department's enforcement of the SCRA and the other laws protecting servicemembers is available at www.servicemembers.gov.

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