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SOUTH COUNTY
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REAL ESTATE

Bank offering to help military homeowners

Bank of America is helping struggling borrowers in the military by offering new programs, including one that reduces loan balances for those behind on payments when leaving active duty.

The changes could likely impact fewer than 1,000 people across the U.S. for loans the bank owns and services, said Bank of America spokesman Rick Simon.

Company officials plan to decrease the amount owed on a mortgage to as low as 100 percent of the property's current market value; it's a lump-sum forgiveness.

The bank can further help by reducing the interest rate.

Mortgage experts expect a greater impact on San Diego County given its heavy military presence. Consumers can get help by calling (888) 325-5357.

The bank also will reduce interest rates to 4 percent for those eligible for the Servicemembers Civil Relief Act, which provides protection to borrowers who are active duty.

The last part of ramped-up mortgage aid is the addition of a team that will specifically assist military personnel.

Mark Riedy, executive director of the Burnham-Moores Center for Real Estate at the University of San Diego, calls the new efforts "wonderful" but hopes the bank will eventually extend the same benefits to a broader audience.

"I think the country owes a lot to these people," Riedy said.

Congressman Bob Filner, D-Chula Vista, who has been critical of banks and their treatment of military homeowners, applauds Bank of America's efforts "to be responsible. But he says they're detracting from previous errors, such as overcharging consumers and performing illegal foreclosures.

"They broke the law," Filner said. "Rather than face the consequences, they announce this."

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