

Army Regulation 608-8

Personal Affairs

Mortgage Insurance for Service Members

**Headquarters
Department of the Army
Washington, DC
5 October 1984**

UNCLASSIFIED

SUMMARY of CHANGE

AR 608-8

Mortgage Insurance for Service Members

This revision updates policy and procedures throughout. Provides current policy concerning payment of mortgage insurance premiums for service members. Loan must have been endorsed by the Department of Housing and Urban Development (HUD) on the certificate of eligibility (DD Form 802) before 1 April 1980.

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Effective 18 September 1984

Personal Affairs

Mortgage Insurance for Service Members

By Order of the Secretary of the Army:

JOHN A. WICKHAM, JR.
General, United States Army
Chief of Staff

Official:

ROBERT M. JOYCE
Major General, United States Army
The Adjutant General

History. This UPDATE printing publishes a new revision which is effective 18 September 1984. Because the structure of the entire revised text has been reorganized, no attempt has been made to highlight changes from the earlier regulation dated 4 August 1972. This publication has been reorganized to make it compatible with the Army electronic

publishing database. No content has been changed.

Summary. This regulation on payment of mortgage insurance for service members has been revised. It precludes the payment of mortgage insurance premiums for new mortgages under section 222, National Housing Act, as amended.

Applicability. This regulation applies to the Active Army, the Army National Guard, and the US Army Reserve. It applies only to members serving on active duty who had valid (approved) certificates of eligibility in effect on or before 31 March 1980. Retirees, those separated or relieved from active duty and those called to active duty for training, are not eligible to participate in this program. This regulation remains applicable during mobilization.

Proponent and exception authority. Not Applicable.

Impact on New Manning System. This

regulation does not contain information that affects the New Manning System.

Army management control process. Not Applicable.

Supplementation. Supplementation of this regulation is prohibited without prior approval from HQDA(DAPC–EPA–P), ALEX VA 22331–0400.

Interim changes. Interim changes to this regulation are not official unless they are authenticated by The Adjutant General. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

Suggested Improvements. The proponent agency of this regulation is the Office of the Deputy Chief of Staff for Personnel. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to HQDA(DAPC–EPA–P), ALEX VA 22331–0400.

Distribution. Active Army: B, ARNG and USAR: D.

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Glossary

*This regulation supersedes AR 608–8, 4 August 1972, and rescinds DD Form 802, July 1971.

RESERVED

1. Purpose

This regulation gives procedures for the Army's administration of the mortgage insurance program allowed by section 222 of the National Housing Act, as amended.

2. References

Related publications are listed below. (A related publication is merely a source of additional information. The user does not have to read it to understand this regulation.)

- a. AR 340-21 (The Army Privacy Program).
- b. DODD 1338.4 (Mortgage Insurance for Servicemen to Aid in Construction or Purchase of Homes).

3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

4. Responsibilities

a. The Deputy Chief of Staff for Personnel will set policy on the mortgage insurance program.

b. The Commanding General (CG), US Army Military Personnel Center (MILPERCEN), will—

- (1) Set procedures to administer the mortgage insurance program.
- (2) Process any requests received at MILPERCEN to continue mortgage insurance premium (MIP) payments.
- (3) Fulfill the objectives of this regulation to protect the rights of the member and the interests of the Army.
- (4) Advise and assist directors of Headquarters, Department of the Army (HQDA) agencies and commanders of major Army commands on mortgage insurance program matters.

c. Commanders with custody of military personnel records will—

(1) Keep a list of members whose records include a DD Form 802 (Request for and Certificate of Eligibility) endorsed by the Department of Housing and Urban Development (HUD).

(2) Set up-to-date controls for members taking part in the program. Members will be contacted semiannually in January and July to verify continued ownership. Upon transfer of a member, both losing and gaining commanders will verify continued ownership and update suspense files.

(3) Urge members to make mortgage payments by allotment. Upon discontinuance of allotment, the commander should learn if the member is still eligible for MIP payments.

(4) Set up suspense and control procedures to insure that DD Forms 803 (Certificate of Termination) are sent promptly upon the end of eligibility. Timely submission of DD Forms 803 to the Commander, US Army Finance and Accounting Center (USAFAC), is important to prevent overpayments. When a DD Form 803 is not received in USAFAC when eligibility ends, the member must repay the Government for any overpayments. This repayment could cause financial hardship to the member.

(5) Request supplies of DD Form 803 through normal publications supply channels.

d. The member will—

(1) Assume payment of MIP beginning on the first day of the month following the end of eligibility (para 7).

(2) Notify the commander with custody of his or her military personnel records in writing when eligibility ends because of—

- (a) Paid-up loan.
- (b) Sale.
- (c) Transfer of ownership.
- (d) Foreclosure.
- (e) Discharge from active duty.
- (f) Retirement.

(3) Take action to insure DD Form 803 is sent if the servicing personnel office does not do so.

e. The Commander, USAFAC will—

- (1) Make premium payments to HUD (para 5).
- (2) Verify at least annually that premiums are not being paid for ineligible members.

(3) Issue DD Form 803 when eligibility ends and no certificate is received.

(4) Take collection action against members when premiums were paid after eligibility ended. However, if the DD Form 803 is not received by HUD by the last day of the second month following the end of eligibility, the Army must continue payment of the premiums until the first day of the month after HUD receives a DD Form 803.

(5) Notify a surviving spouse of the cost of mortgage insurance premiums when payment is to be stopped by the Army.

f. The Department of Housing and Urban Development will—

- (1) Provide information on applicable HUD regulations.
- (2) Complete, process, and forward DD Forms 803.

5. Payment of mortgage insurance premiums

The Department of the Army will pay MIP for eligible members. However, the loan must have been endorsed by HUD on the certificate of eligibility (DD Form 802) before 1 April 1980. The MIP will be paid from the date the loan is endorsed by HUD until the first day of the month following the end of the member's eligibility.

6. Entitlement provisions and limitations

a. The National Housing Act helps members purchase housing for themselves and their families. Principal entitlements under the act are—

(1) Lower down payments for housing with an appraised value of more than \$25,000.

(2) Payment of MIP by the Army while on active duty. Premiums cost one-half of 1 percent of the average outstanding balance of the mortgage, computed annually.

b. Funds have been deleted for the payment of MIP for new mortgages under section 222 of the National Housing Act, as amended.

7. Termination criteria

a. Eligibility for payment of MIP by the Army will end on the last day of the month in which a member is—

(1) Discharged or relieved from active duty, except when the member reenters another period of active duty the following day without a break in service. (DD Form 803 will not be issued in such cases.)

(2) Retired under any terms.

(3) Dropped from the rolls.

(4) No longer owner of the property covered by the loan because of paid-up loan, sale, or transfer of ownership.

(5) Requesting termination.

(6) Deceased, if there is no surviving spouse.

b. The member, if available, will be advised of the provisions of the Privacy Act of 1974 prior to completion of DD Form 803.

8. Rights of surviving spouse

When a member dies while on active duty and leaves a spouse as owner of the property, the period of ownership by the member for MIP payments will continue for or until—

a. Two years beyond the date of the member's death.

b. The spouse disposes of the property.

c. The spouse dies.

d. The spouse remarries.

The benefits extend to the surviving spouse whose spouse died not more than 2 years prior to 1 August 1968 if he or she is otherwise eligible. However, the Army is not liable for premiums due before 1 August 1968. The spouse will be notified promptly following the member's death of the additional cost after the end of the 2-year period.

9. Disposition of DD Form 803

When eligibility ends, the commander will promptly complete DD Form 803 in seven copies and distribute them as follows.

a. Original and 3 copies to the US Department of Housing and Urban Development, Office of Finance and Accounting, Insurance Operations Division, Washington, DC 20410.

b. One copy to the Commander, US Army Finance and Accounting Center, ATTN: FINCO-AA, Indianapolis, IN 46249-1306.

c. One copy for file in the member's personal financial records.

d. One copy to the member for personal use.

10. Sale of property

A home insured under this regulation may be sold to, and the existing loan assumed by, any other person. If the buyer assumes the existing loan, the seller or his or her agent should advise the buyer that steps are being taken to end payment of MIP by the Army. A written statement should be given to the buyer, with an acknowledgment, before completing part III of the DD Form 803. The seller should keep a copy.

Glossary

Section I Abbreviations

AR
Army regulation

CG
commanding general

DODD
Department of Defense directive

HQDA
Headquarters, Department of the Army

HUD
Department of Housing and Urban
Development

MILPERCEN
United States Army Military Personnel
Center

MIP
mortgage insurance premiums

USAFAC
United States Army Finance and Accounting
Center

USC
United States Code

Section II Terms

Housing
A dwelling unit designed for a one-family residence or a one-family unit in a condominium for occupancy by the member as his or her home. The dwelling must be located in the United States, Guam, Puerto Rico, or the Virgin Islands.

Member
A commissioned or warrant officer or enlisted member.

Mortgage insurance premiums
The charge payable to the Department of Housing and Urban Development (HUD) by the Department of the Army for insuring the loan to the lender.

Period of ownership by member
The period of eligibility during which the Army is required to pay mortgage insurance premiums to HUD. This period begins on the date HUD endorses a loan for mortgage insurance and ends when the Army notifies HUD that it is no longer liable for payment of mortgage insurance premiums.

**Section III
Special Abbreviations and Terms**
There are no special terms.

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