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Office of Government Ethics
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LEGAL ADVISORY

TO: Designated Agency Ethics Officials

FROM: Don W. Fox, General Counsel

SUBJECT: MORTGAGE REPORTING REQUIREMENT UNDER THE STOCK ACT

This Legal Advisory provides guidance on the STOCK Act new mortgage reporting requirement for certain Presidential appointees confirmed by the Senate (PAS) and nominees to those positions.

Section 102(a)(4) of the Ethics in Government Act (EIGA) requires public filers to report mortgages; however, section 102(a)(4)(A) of EIGA provides an exception for mortgages secured by personal residences. Section 13 of the STOCK Act makes this exception unavailable to certain public filers.

Filers Required to Report Mortgages

The effect of section 13 of the STOCK Act is to require the following officials to report mortgage information about any residence they may own.

- the President;
- the Vice President; and
- PAS appointees and PAS nominees except for the following:
 - Foreign Service Officers below the rank of ambassador,
 - uniformed service members below the O-7 level, and
 - special Government employees

Section 13 of the STOCK Act preserves the exception—to omit mortgages secured by a personal residence, except when the residence generates rental income—for all other OGE Form 278 filers, including most career and non-PAS, non-career Senior Executive Service members. *See* attachment.

The reportable mortgage information should be included on Schedule C, Part I. The information required to be disclosed includes the name of the lender, the terms and conditions of the loan, and a notation as to whether the mortgage is on a personal residence or an investment property. Filers are not required to disclose the location of a residence secured by the mortgage. If the mortgaged residence does not produce rental income and is not otherwise reportable on Schedule A, section 13 of the STOCK Act does not require filers to report the residence on Schedule A.

Effective Date

The requirement to report mortgage information required by section 13 of the STOCK Act applies to OGE Form 278 reports filed on or after April 4, 2012. An OGE Form 278 filed by an incumbent before April 4, 2012, is not required to be revised to include the mortgage information required by section 13 of the STOCK Act.

Attachment 1 – Section 13 of STOCK Act Mortgage Reporting Chart

**SECTION 13 OF STOCK ACT
MORTGAGE REPORTING CHART**

<p>EXECUTIVE BRANCH OGE FORM 278 FILERS</p>	<p>NO EXCEPTION [report <i>all</i> mortgages, including those secured by personal residence]</p>	<p>EXCEPTION [report mortgages, <i>except</i> mortgages secured by personal residence, unless the residence generates rental income]</p>
President	✓	
Vice President	✓	
Presidential appointees confirmed by the Senate (PAS) and Nominees to PAS positions <i>Other than:</i> <ul style="list-style-type: none"> ▪ Foreign Service Officers below the rank of ambassador ▪ uniformed service members below the O-7 level ▪ special Government employees 	✓	✓ ✓ ✓
All other OGE 278 filers		✓