

Servicemembers Civil Relief Act (SCRA)

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Overview

The Servicemembers Civil Relief Act (SCRA) helps protect service members who are called to active duty. This act protects members of the Army, Navy, Marine Corps, Air Force, Coast Guard, reservists, and members of the National Guard.

SCRA offers these service members mortgage payment relief and protection from foreclosure when they're called to active service.

The SCRA offers many protections and benefits to service members and their families. Some of the most common forms of relief include:

- Mortgage relief
- Termination of leases
- Protection from eviction
- 6 percent cap on interest rates
- Stay of proceedings
- Reopening default judgments

Debt Payment Relief

SCRA limits the interest that can be charged on mortgages.

Mortgage lenders must reduce the interest rate to no more than **6 percent** per year during your active military service. They must also recalculate your payments to reflect the lower rate. This interest rate limit is NOT automatic. You have to make a written request to your mortgage lender and include a copy of your military orders.

If you still can't afford to pay your mortgage at the lower interest rate, your lender may allow you to stop paying the principal amount that's due on your loan. Lenders are not required to do this. If your mortgage lender lets you do this, then you'll still owe this amount.

Talk to your lender about the kinds of programs they have for borrowers who can't make their payments.

Foreclosure

Under SCRA service members have a 9-month grace period if they're called to active duty. This means that a mortgage lender can't foreclose while you're on active duty, or for 9 months afterward, unless they have court approval.

Keep Your Lender Informed

You should give your lender the following information:

- Notice that you've been called to active duty,
- Copy of your orders notifying you of activation,
- Your FHA case number, and
- Proof that the debt precedes your activation date.

When Active Military Service Ends

The lowered interest rate or any debt relief that you worked out with your lender only lasts while you're on active duty.

Once your active military service ends, your interest rate will go back to the original interest rate and your payment will be recalculated. You still have a grace period before benefits like delayed payments or restrictions on foreclosure end.

Service members who have questions about the SCRA can contact their unit judge advocate or installation legal assistance officer. Dependents of service members can also contact or visit local military legal assistance offices where they live.

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