

# Service Members' Civil Relief Act

## What is it?

The purpose of the Service Members' Civil Relief Act is to provide protection to service members who have difficulty meeting financial and legal obligations due to their military service.

All members of the uniformed services serving on active duty are covered under this Act. This includes reserve component personnel called to active duty, Coast Guard personnel, as well as officers of the Public Health Service and the National Oceanic and Atmospheric Administration. You may qualify for any or all of the following:

- ❑ Reduced interest rate on **mortgage payments**.
- ❑ Reduced interest rate on **credit card debt**.
- ❑ **Protection from eviction** if your rent is \$2,958.53 per month or less.
- ❑ **Delay of all civil court actions**, such as bankruptcy, foreclosure or divorce proceedings.
- ❑ **Early termination** of car or housing lease without penalty.

## Interest Rates

The amount of interest that may be collected on debts of persons in military service is limited to 6% per year during the period of military service. This provision applies to all debts incurred prior to the start of active duty and includes interest on credit card debt, mortgages, car loans and other debts. The provision, applies to pre-service debts. The interest rate reduction doesn't occur automatically — **service members must request it**.

This 6% limitation on interest rates for pre-service debts requires a reduction in monthly payments, and any interest in excess of 6% is forgiven, not deferred.

## Can my Family be Evicted?

The SCRA protects your dependents from being evicted while you are serving your country. If you rent a house or apartment that is occupied for dwelling purposes and the rent does not exceed \$2,465 per month, the landlord must obtain a court order authorizing eviction. This provision applies regardless of whether quarters were rented before or after entry into military service.

## What do I do about my Housing Lease?

The SCRA also gives the service member who has received permanent-change-of-station orders, or who is being deployed for not less than 90 days, the right to terminate a housing lease with 30 days' written notice.

## What do I do about my Car Lease?

Any active duty service member who has received PCS orders outside the continental U.S., or who is being deployed for not less than 180 days, may terminate a motor vehicle lease. The law prohibits early termination penalties against you.

## What if I am sued while on Active Duty?

The SCRA provides an automatic 90-day stay of civil proceedings upon application by the service member. This applies to all judicial and administrative hearings.

## What about my School Loans?

The interest rate cap does not apply to federal guaranteed student loans. However, the Department of Education has in the past deferred or suspended payments on student loans for reserve component military members called to active duty. Contact your lender or schools to determine if such options are available.

## What else can the SCRA do for me?

The Act has many provisions that may benefit you and your family. Service members may not always realize all the protections they have under the law. If you have questions about the SCRA or the protections that you may be entitled to, contact your unit judge advocate or installation legal assistance officer for further assistance.

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