



SERVICEMEMBERS CIVIL RELIEF ACT

The SCRA Simplified

This handout provides a basic overview of the provisions of the Servicemembers Civil Relief Act (SCRA). For full text and a comprehensive discussion of the act, visit <https://www.justice.gov/servicemembers>. For guidance and answers related to your specific situation, contact your installation legal office on base (Locator at: <https://legalassistance.law.af.mil>).

What Is It?

The SCRA is a law designed to ease or eliminate certain financial burdens on Soldiers that might arise because of military service.

Potential Soldier benefits offered under the act:

- 6% interest rate caps on pre-service debts
- Ability to terminate certain:
 - Vehicle leases
 - Residential leases
 - Mobile phone contracts
- Eviction protection
- Foreclosure protection
- Repossession protection
- Court proceeding deferrals
- Insurance protection
- Income tax deferrals
- State income tax options
- Certain other matters

Who Is Covered?

01

Active-duty Soldiers

02

Members of the Guard/Reserve serving full-time active duty (Section 101 of Title 37, U.S.C)

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Soldier dependents (in some situations)

04

Co-signers or those who took out loans with a Soldier (in some situations)

Some protections extend for a limited time beyond active-duty discharge or release and are tied to the discharge or release date.



SECURING THE FINANCIAL FRONTLINE



Scan code for more information or visit www.FinancialFrontline.org.

Additional Details

Because the protections under SCRA can sometimes be complicated, Soldiers are urged to seek the assistance of their installation legal office for any SCRA-related matters.



Six Percent Interest Rate

Soldiers can request a 6% interest rate cap on any debts incurred prior to military service (credit cards, loans, mortgages, etc.) for the duration of the Soldier's military obligation and one year thereafter for mortgages. This applies to individual debts of the Soldier as well as those incurred jointly with his or her spouse.



Vehicle Leases

Lease termination applies to auto leases entered **before active duty** followed by a call to active duty for 180 days or longer. Also applies to leases entered **during active duty** followed by orders for a PCS from inside to outside the continental United States, from OCONUS to any new location, or 180-day-plus deployments. Also applies to joint leases and no penalty or early termination fees allowed.



Residential Leases

Lease termination applies to PCS or deployment orders of 90 days or more. Termination date is 30 days after the first date rent is due, following receipt of notice and copy of the orders. This includes dependents and no penalty or early termination fee.



Mobile Phone Contracts

Soldiers can cancel mobile phone contracts after receiving orders to relocate for a period of at least 90 days to a location that does not support the contract. Applies to family plans for those who accompany the Soldier. No penalty or termination fees allowed.



Eviction From Housing

Soldiers and their families cannot be evicted for nonpayment of rent without a court order while on active duty, provided the rent is below a certain amount. Eviction can still occur if ordered by the court.



Foreclosure And Repossession Protection

Active Soldiers are protected from foreclosure and repossession under certain circumstances, including the common requirement that lenders must obtain a court order before taking such actions.



Court Proceedings

If a Soldier is a defendant in a civil court proceeding, the court may grant a delay if the Soldier's military service effects the Soldier's ability to appear before the court. The provision applies to civil lawsuits, suits for paternity, child custody suits, bankruptcy debtor/creditor meetings, and administrative proceedings.



Residence For State Taxes

Under certain circumstances, the SCRA prohibits states from taxing Soldiers and their spouses solely due to their presence in a state because of compliance with military orders. This means if a Soldier and his or her spouse are residents of another state, they may not be required to pay certain taxes in the state in which they are stationed.