

Servicemember Civil Relief Act (SCRA) QUICK REFERENCE GUIDE

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Overview	<p>The Servicemember Civil Relief Act (SCRA) is a program that provides certain protections from civil actions against servicemembers who are called to Active Duty. It restricts or limits actions against these personnel in the areas of financial management, such as rental agreements, security deposits, evictions, installment contracts, credit card interest rates, mortgages, civil judicial proceedings, income tax payments, and more.</p> <p>The SCRA may also afford certain protections to active duty servicemember's dependents, including their spouse, their children, and any individual for whom they provided more than one-half of his or her financial support for the past 180 days. However, the SCRA does not protect them or their dependents if they are a civilian or a contractor.</p>

SCRA Coverage Areas. The SCRA is designed to cover active duty servicemembers	
Coverage	Restriction
Rental Agreements	While in military service an active duty servicemember may terminate, without penalty, residential and business leases that you entered into prior to joining the military. They may also terminate residential and business leases entered into while in military service if they receive orders to deploy for a period of at least 90 days, or orders for a permanent change of station.
Security Deposits	Active duty servicemembers have the right to have their security deposit refunded. However, they will be responsible for any unpaid rent or other lease amounts due <i>before</i> the effective date of termination, as well as any taxes, fees, and other reasonable charges, such as charges for excess wear and damages.
Wage Garnishment	If an active duty servicemember cannot comply with an order garnishing their wages or money in their accounts because of their military service, then they may request that the court temporarily stop their money or property from being taken. This right applies only to actions and proceedings that were commenced against them before their period of military service, during their period of military service, or within 90 days after their period of military service ended.
Evictions	If monthly rent is less than \$3,047.45 per month (as of 2012), a landlord may not evict an active duty servicemember or their dependents from a home that is used primarily as a residence during a period of military service without a court order. If an eviction action is filed, the court must temporarily stay the proceedings or adjust the amount of the financial obligation if the servicemember can show that they have been unable to meet their financial obligations under the lease because of their military service.

Installment Contracts	An active duty servicemember has the right to request that the interest rates, including all fees, they pay on installment loans that they obtained prior to entering into military service be reduced to six percent per year during their military service.
Credit Card Interest Rates	An active duty servicemember has the right to request that the interest rates, including all fees, they pay on credit cards that they obtained prior to entering into military service be reduced to six percent per year during their military service.
Automobile Repossession	If an active duty servicemember purchased or leased their vehicle and made a deposit or installment payment before they entered military service, then the creditor or lessor may not terminate their contract or repossess their vehicle for breach of contract without a court order while they are in military service.
Mortgage Interest Rates	An active duty servicemember has the right to request that the interest rates, including all fees, they pay on mortgages that they obtained prior to entering into military service be reduced to six percent per year during your military service. For pre-service mortgages, they are entitled to receive the six percent interest rate not only for their period of military service, but also for one year after you complete their service.
Mortgage Foreclosures	If a servicemember obtained a mortgage before they entered into military service, then the SCRA requires that the lender get a court order before it can foreclose on their home during any period of military service and for nine months thereafter. The lender must get a court order even in states that generally allow foreclosures without a court order. If the lender seeks such a court order, and the servicemember can show that they have been unable to meet their financial obligation because of their military service, the court must temporarily stay the proceedings or adjust the amount of the obligation to the lender.
Civil Judicial Proceedings	If an active duty servicemember receive notice that a civil action has been filed, or that a child custody proceeding has been initiated, against them during a period of military service or within 90 days thereafter, they have the right under the SCRA to request that the action or proceeding be stayed for a period of at least 90 days. They also have the right to request that the court extend such a stay if necessary. If their request for an extension of a stay is denied, then the court must appoint an attorney to represent them in the action or proceeding.
Automobile Leases	An active duty servicemember may terminate a motor vehicle lease that they signed prior to joining the armed forces if they enter military service under a call to duty or orders of 180 days or more, or if they have orders for a shorter period of time extended to a period of at least 180 consecutive days. Finally, they may terminate a motor vehicle lease that they entered into while in military service if they receive certain permanent change of station orders or orders to deploy for a period of at least 180 days.
Life Insurance	If an active duty servicemember makes an application, for protection under the rule, to an insurance company and the Department of Veterans Affairs (VA), with regard to a life insurance policy on the member's life which: is in force not less than 180 days before the member's entry onto active duty; provides that the insurer may not decrease or restrict the amount of

	<p>coverage, or require increase premiums, if the member enters active duty; and which is accepted by the VA, the policy, up to \$250,000 (or an amount equal to the Servicemember's Group Life Insurance maximum) of coverage, shall not lapse or otherwise terminate if premiums, or interest, or indebtedness on a premium is not paid after the date on which the application for such protection is received by the VA for up to two years after the member is released from active duty.</p>
<p>Health Insurance</p>	<p>If an active duty servicemember makes an application within 120 days of being released from active duty, an insurance company must reinstate health insurance coverage without imposing any exclusions or waiting periods for the member or other persons covered by the insurance under the member's coverage if: the health insurance was in effect on the day before the member entered active duty; the health insurance was terminated while the member was on active duty; and the member is not entitled to employer provided health insurance pursuant to USERRA.</p>
<p>Income Tax Payments</p>	<p>If an active duty servicemembers home state taxes military pay, they will have to pay those taxes. If they get assigned to another state, they will still legally be a "domiciliary" of their home state. The state to which the military assigns them cannot tax their military pay. If they moonlight, the state can tax that pay - just the military pay is exempt.</p>