

The Servicemembers Civil Relief Act



The [Servicemembers Civil Relief Act](#) (SCRA) is a law that was enacted in 2003 to provide legal and financial protections to servicemembers while they are serving on active duty. It is designed to ease financial burdens on servicemembers during periods of military service, and covers rental agreements, evictions, interest rates, foreclosures, life insurance, and income taxes, among other concerns. If you need protection under the SCRA that cannot be offered by on-base legal assistance, you may be eligible for assistance from the Department of Justice.

Who is covered by the SCRA?

- Active duty servicemembers of the Army, Navy, Air Force, Marine Corps, and Coast Guard
- Reservists serving on active duty
- Members of the National Guard who have been mobilized by the federal government for over 30 consecutive days
- Active duty commissioned officers of the U.S. Public Health Service or National Oceanic and Atmospheric Administration
- **Circumstantially**, dependents of the servicemembers listed above, including spouses, children, and anyone for whom the servicemember has been providing at least half of their financial support for at least 180 days.

SCRA protections may also apply to individuals who cosigned a loan with a servicemember.

What issues are covered by the SCRA?

The issues covered by SCRA are numerous and varied, but there are several that are regularly addressed by the Department of Justice.

1. Servicemembers are able to have the amount of interest charged on a financial obligation incurred *prior to entering active duty military service* capped at 6% per

year. Mortgages, specifically, are capped at 6% for the duration of military service plus an additional year after service ends. Other financial obligations (e.g., credit cards, vehicle loans, student loans) are capped at 6% for the duration of military service only. Lenders are *not* required to extend this benefit to servicemembers who incur debts while on active duty. Note that this protection applies to individual financial obligations as well as those that were cosigned by a spouse.

2. **While a servicemember is on active duty – and for one year after – a mortgage lender cannot foreclose on a mortgage without a court order.** The court has the ability to postpone a foreclosure or adjust a servicemember's payments if the court determines that the servicemember's ability to make their mortgage payments is adversely affected by their military service.
3. Servicemembers regularly receive permanent change of station and deployment orders. For this reason, it is important for servicemembers to have the ability to terminate their lease agreements when their service requires them to relocate. **The SCRA allows servicemembers to terminate their residential leases with no repercussions from the landlord** – so long as the servicemember provides the landlord with a copy of their orders, the lease will terminate 30 days after the next rent payment is due.
4. **If a servicemember is sued while on active duty and cannot appear in court to provide their own defense, the court must appoint an attorney to represent the servicemember.** If a court determines that there may be a defense to the legal action against the servicemember, the court must delay the proceedings by at least 90 days until the servicemember can appear in court. The servicemember can also request a 90-day delay for civil court proceedings, including divorce and child support proceedings, if they cannot participate due to military service.
5. If a servicemember purchased a vehicle or other personal property *and* made at least one payment on the property prior to entering active duty, **creditors cannot repossess that property without a court order for the duration of the servicemember's service plus an additional 90 days**, even after a servicemember fails to make monthly payments. However, the servicemember may be liable for late fees and may experience a drop in their credit score as a result of the missed payments.

The SCRA also protects a servicemember's ability to vote in their home state despite absences due to military service; may prevent eviction for nonpayment of rent without a court order; prevents life insurance policies from lapsing, terminating, or being forfeited due to nonpayment of premiums during active duty service; and requires that state and local tax authorities defer income taxes that are due before or during active duty service if the ability to make the payment(s) is affected by that service.

Note that it is possible for a servicemember to waive their rights under the SCRA – any contracts or addenda should be read carefully and thoroughly before signing to avoid inadvertent waiver of SCRA rights.

If you have a legal concern, your first step should be contacting on-base legal assistance. If they cannot help you in resolving your concern, the [Department of Justice](#) can review the concern and may be able to offer assistance under the SCRA. Note that some states also have SCRA laws that extend beyond federal SCRA provisions. Learn more about further protections that may be available in your state [here](#).



Part of Navy Mutual's mission is to educate servicemembers and their families on matters of financial security. If you have any questions, contact our Education and Veterans Services team at [888-298-4442](tel:888-298-4442).