

## **SERVICEMEMBERS CIVIL RELIEF ACT (SCRA)**

### **Federal Law Designed to Ease Financial Burdens**

<https://www.aetc.af.mil/News/Article/2155608/as-covid-19-crisis-continues-servicemembers-civil-relief-act-protects-military/>

For your knowledge, federal law designed to ease financial burdens. Please share with others who may benefit from this.

Per Financial Manager, this particular article captures and summarize the important elements of the protections provided under the Service Member Civil Relief Act (SCRA). The STOP movement resulting from COVID-19 has definitely created some of the issues that the SCRA was initially created to address.

Active-duty service members and members of the National Guard and Reserve have stepped up to shoulder the demands of the COVID-19 pandemic. They should not be burdened with additional financial worries, and help is available, tailored to their needs.

The Justice Department's Civil Rights Division was created in 1957 by the enactment of the Civil Rights Act of 1957. The act works to uphold the civil and constitutional rights of all Americans, particularly some of the most vulnerable members of society.

As part of its work, the Civil Rights Division is tasked with enforcing the Servicemembers Civil Relief Act, which was enacted in 2003. The SCRA is a federal law designed to ease financial burdens on service members during periods of military service.

All active-duty military members are covered by the act, including those in the Coast Guard, Reserves and National Guard. Commissioned officers in active service of the Public Health Service and the National Oceanic and Atmospheric Administration are also covered. The act also provides certain benefits and protections to the families of those on active duty, though Guard and Reserve members not on active duty are not covered.

The act covers issues such as rental agreements, security deposits, prepaid rent, evictions, installment contracts, credit card interest rates, mortgage interest rates, mortgage foreclosures, civil judicial proceedings, automobile leases, life insurance, health insurance and income tax payments.

Under the SCRA, the attorney general is authorized to file a federal lawsuit against any person or entity that engages in a pattern or practice of violating this law. When a lawsuit is filed under the SCRA, the attorney general has the authority to seek monetary damages on behalf of individual service members and has the authority to seek civil penalties, as well as different types of remedies or reliefs.

Service members and their families could become locked into an untenable lease agreement due to a COVID-19 stop-movement order. For example, they might have entered a new lease agreement prior to a permanent-change-of-station move. When the stop-movement order canceled their move, they may now be forced to pay two rents.

Additionally, SCRA allows individuals to break a lease when they go onto active duty if the lease was entered into before going onto active duty. Also, the act allows a service member to terminate a residential lease entered into while in the military if the member received orders to move to a new assignment or to deploy for a period of at least 90 days.

A service member may seek protection from the eviction of rented or leased property under SCRA. The service member or family member who has received notice of eviction would need to submit a request to the court for protection under the SCRA. If the court finds that the service member's military duties have materially affected the family's ability to pay rent in a timely manner, the judge may order a stay, or postponement, of the eviction proceeding for up to three months or make any other just and reasonable order.

Military members may also terminate automobile leases in certain circumstances. Just as residential leases, if a service member enters into an automobile lease before going on active duty, the member may request termination of the lease upon entering active duty. However, for this to apply, the active duty must be for at least 180 continuous days.

If a military obligation has affected a service member's ability to pay on financial obligations such as credit cards, loans, mortgages and so on, the service member can have the interest rate capped at 6% for the duration of the military obligation. However, the 6% cap applies only to loans entered into prior to active duty, not those signed later.

"Since COVID-19 has come to our shores, active-duty service members and members of the National Guard and Reserve have shouldered new burdens as they work to protect our country," Eric S. Dreiband, the assistant attorney general with the Civil Rights Division, said in a news release. "We owe it to them to ensure that COVID-19 does not jeopardize their economic livelihood."