

**SERVICE MEMBERS:**

**What you need to know**

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# SERVICE MEMBERS:

## What you need to know



Servicemembers Civil Relief Act (SCRA) – a law that provides legal and financial protections when a person is called to active military duty.

Service members have the right to such benefits and protections as:

- **Right to the 6 percent interest rate cap:** This law limits the amount of interest on certain financial obligations incurred prior to military service to no more than 6 percent per year.
- **Right to child custody:** If a motion or a petition is filed seeking a permanent order to modify the custody of the child of a service member, a court cannot use the deployment or possible deployment of the custodial parent as the sole factor to consider a change in child custody.
- **Right to protections in payment:** The SCRA protects service members and their spouse or children from loss of benefits due to failing to pay rent, loans, mortgages, or insurance policies.

### Payment Protections Include

- **Prevention from eviction and distress:** Service members or their dependents may not be evicted from a rental home except by court order.
- **Installment contracts:** As long as the service member borrower either placed a deposit for real or personal property (including a vehicle), or made at least one installment payment before entering military service, a creditor may not repossess the property without a court order.
- **Loan foreclosure:** During the period of military service or within one year after, a creditor must get a court order before foreclosing on a mortgage or other security loan originating before the period of the service member's military service.
- **Termination of contracts:** Service members may terminate certain leases for property used for residential, professional, business, or agricultural purposes, if the service member is deployed for 90 days or more or receives permanent change of station (PCS) orders. Automobile leases are also covered, if the service member is deployed for at least 180 days or receives PCS orders. Cell phone contracts may also be covered depending on the distance and duration of the service member's relocation.

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### Additionally, Your Rights Include

- **Right to continue life insurance coverage:** The SCRA protects a service members' right to continue coverage under certain commercial life insurance policies.
- **Right to defer tax obligation:** Without a court order, property belonging to service member cannot be sold to collect unpaid taxes or assessments, except income taxes. The collection of income taxes (excluding Social Security (FICA) taxes) may be deferred under certain circumstances.
- **Right to continue health insurance:** On termination of military service, service members may reinstate any health insurance that was effective prior to their service.
- **Guarantee of residency:** Service members can maintain their home state of residency or domicile for tax and voting purposes.
- **Right to file a complaint:** the U.S. attorney general or any person aggrieved by a violation of the SCRA may take action against any person who violates the SCRA.

Additional information on the SCRA may be found [here](#). A copy of the SCRA may be found [here](#).

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