

Sample SSCRA Letter

Your Name
Your Address
City, State ZIP

(Sent via Certified Mail with Return Receipt)

Date:

Creditor Name
Creditor Address
City, State ZIP

Re: Account #

Dear Sirs:

I am writing to inform you that I have entered active military service. I currently have an outstanding debt with your company, and request that you apply account benefits consistent with that of the Soldiers' and Sailors' Civil Relief Act (SSCRA) of 1940, 50 U.S.C. Appendix, Section 526.

Under the SSCRA there is a cap of six percent per annum on any interest charges, including, but not limited to, service charges, annual charges, and fees. This applies if a service member's obligation was incurred prior to entry into active duty, and his current financial situation does not allow for full repayment. Due to my entry into active duty, I have experienced significant reduction in income.

Please review this matter and respond to me as soon as possible. You may reach me at the aforementioned address, or by phone at (your telephone number). I have enclosed a copy of my current orders calling me to active duty for your records.

Thank you for your assistance in this matter.

Sincerely,

Your Name

You may contact a certified credit counselor regarding any information in this brochure at:

1-800-994-3328
1-800-492-3150 (Fax)

www.familycredit.org
www.teachmeaboutcredit.org

Additional Resources:

Federal Trade Commission
Phone: 877-382-4357
www.ftc.gov

Department of Housing and Urban Development (HUD)
Phone: 888-297-8685
www.hud.org

Army & Air Force Exchange Service (AAFES)
Phone: 877-891-7827
www.aafes.com

Department of Defense
www.dod.mil



The goal of this publication is to provide financial education to consumers. The contents may address legal issues but it should not be treated as legal advice. Such advice can only be properly given by qualified professionals who are fully aware of the readers' individual circumstances. All information is deemed accurate and reliable, at time of release. We are not responsible for inaccurate information.

Soldiers' and Sailors' Civil Relief Act

Protection for Our Heroes



www.familycredit.org

How does the Soldiers' and Sailors' Civil Relief Act (SSCRA) protect me during active duty?

The SSCRA was established by Congress to provide a break from certain civil responsibilities for members of the military, reserve, and the National Guard.

The Act has been in place since the Civil War in one form or another. The creators' intention was to allow active military to focus all attention on their military duty by providing financial relief. The Act can help beneficiaries save money and prevent legal action.



Benefits of the Act include:

- A cap of 6% annual interest may be collected on all debts (credit card debt, mortgages, car loans, and other debts) incurred the prior to the commencement of active duty and also during the period of active military service.
- Eviction protection for dependents, if the rent is \$2,400 or less per month.
- Delay of any civil court litigation or action (bankruptcy, foreclosure, and divorce proceedings). If notice of legal proceeding is received, you should contact the military unit or installation legal offices immediately.
- A new provision allows a serviceman and his dependents to terminate an automobile lease, without penalty, if he is called to active duty for 180 days or longer.

A note on home mortgages:

It may be possible to make interest-only payments on your home mortgage while on active duty. U.S. lenders are encouraged by the Department of Housing and Urban Development to accept interest-only payments for active duty military until three months after their return.



How do I receive SSCRA benefits?

The interest rate reductions do not automatically occur—service members must request it. In order to receive these benefits, a letter must be sent to each of your creditors. Contact your unit or installation legal assistance office for the necessary paperwork. A sample letter is also provided here for your convenience.

There must be proof of mobilization/activation to active duty, evidence of the difference in the member's military and civilian pay, creditor's name, account number, and reference to the Soldiers' and Sailors' Civil Relief Act of 1940, 50 U.S.C. Appendix, Section 526.