

Servicemembers Civil Relief Act (SCRA) example letter to lenders

This tool will help you inform lenders that you are entitled to the six percent (6%) interest-rate reduction under the SCRA and to apply this lower interest rate to loans or debts you incurred before starting active duty.

If you are serving on active duty and had loans or debts before you began your active duty service, these loans and debts may be eligible for the SCRA interest rate cap of six percent. This six percent interest rate lasts for the duration of your active duty service. If you have a mortgage, the six percent interest rate cap stays in place for one additional year after you leave military service.

You must contact the lender to inform them of your active duty status and request that they apply the SCRA rate.

What to do

- **Identify loans or debts you incurred before beginning active duty.** You will need to get the lender's name and mailing information and your account number. You will also need to know your active duty start date.
- **Write a letter to each lender asserting your right to the SCRA rate.** Use the example letter to write a letter to each lender. Be sure to write your information where it says "write."
- **Follow up with the lender to ensure they received it and have applied the SCRA interest rate.** In the meantime, pay your loans and debts as originally agreed. You do not want to fall behind on payments waiting to hear from the lender.
- **Contact your installation legal assistance office if your lender does not respond or denies your request.** You can find a legal assistance office at legalassistance.law.af.mil.

To access a dynamic and fillable version of this tool, visit: consumerfinance.gov/your-money-your-goals/companion-guides .

My information

Name and return address

Today's date

Lender name and address

Phone number

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Dear Sir or Madam,

This letter is to advise you that I have been ordered to active duty service with the United States Armed Forces. I incurred a debt with you prior to entry on active duty.

I entered active duty on _____ and I am presently assigned to _____. The Servicemembers Civil Relief Act, 50 U.S.C. § 3937(a)(1), sets a six percent (6%) per annum ceiling on interest charges (including service charges, renewal charges, and fees) during the period of a servicemember's military service for financial obligations made prior to the date of entry onto active duty. Thus, I am requesting an adjustment of this account to reflect the statutory six percent (6%) interest rate maximum. This rate became effective upon my entry to active duty on _____.

Please ensure that your records reflect this statutory ceiling and that any excess charge is withdrawn. Any and all interest over 6% must be forgiven, not just deferred and my monthly payments must be reduced by the reduction in the interest rate. I ask that you contact me at the above address with a revised payment schedule. Thank you for your understanding and support in this matter. For verification of my military status the Department of Defense has set up a website for your use, which is <https://scra.dmdc.osd.mil>.

Sincerely,

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