

Court proceedings. If a servicemember is a defendant in a civil (suits for paternity, child custody suits, bankruptcy debtor/creditor meetings, lawsuits, and administrative proceedings) court proceeding, the court may on its own motion, grant a 90-day stay in the proceedings. If the servicemember asks for a stay, the court must grant a minimum 90 day stay if: 1) the servicemember submits a letter or other communication, setting forth facts that the servicemember's military duty requirement materially affects their ability to appear and stating a date when the servicemember will be able to appear; and 2) the servicemember submits a letter from their commander stating that the servicemember's current military duty prevents the appearance and that military leave is not authorized for the servicemember at the time of the letter. Unlike under the SSCRA, the SCRA specifically states that a servicemember's communication with the court requesting a stay does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense (including a defense relating to lack of personal jurisdiction). Under the old act, some courts held that merely communicating with the court by requesting a stay, implied that the member agreed to jurisdiction of the court. A servicemember who is granted a stay may request an additional stay, if he/she can show that military requirements affect their ability to appear. However, the court is not obligated to grant the stay. If the court does not grant the stay, the court must appoint counsel to represent the servicemember in the proceeding. If a default judgment is entered in a civil action against a servicemember during the servicemember's period of military service (or within 60 days after termination of or release from such military service), the court entering the judgment must, upon application by or on the behalf of the servicemember, reopen the judgment for the purpose of allowing the servicemember to defend the action, if it appears that 1) the servicemember was materially affected by reason of their military service in making a defense to the action; and 2) the servicemember has a meritorious or legal defense to the action or some part of it.

Enforcement of obligations, liabilities, taxes. A servicemember or their dependent may, at any time during his/her military service, or within 6 months thereafter, apply to a court for relief of any obligation or liability incurred by the servicemember or dependent prior to active duty with respect to any tax or assessment. This is applicable to any tax or assessment whether falling during or prior to the servicemember's active military service. The court may grant stays of enforcement during which time no fine or penalty can accrue. Additionally, the Act adds a provision that prevents states from increasing the tax bracket of a nonmilitary spouse who earned income in the state by adding in the servicemember's military income for the limited purpose of determining the nonmilitary spouse's tax bracket. This practice had the affect of increasing the military family's tax burden.

Don't get addicted to plastic.

- Get a bank debit card instead of a credit card.
- Scan your options. There are many types of cards with pre-approved limits; always read the terms and know the penalties.
- Don't accept the first card offered because of a low introductory rate. Low rates don't last; check how high they'll jump later.
- Read the fine print. Interest rates will be higher than the annual percentage rate.
- To get a 21% return on your investment, risk free, pay off your credit cards.

Don't get homesick.

- Put together a packet of documents a landlord might ask to see, such as pay stubs, tax returns and references.
- View your prospective home in the daylight.
- Don't be afraid to ask questions and talk to neighbors. You'll want to know who you're living next to.
- Do a thorough walk through and ask about repairs and improvements before committing.
- Read the lease carefully. Once you sign you are responsible for all the conditions of the lease.
- Make sure the security deposit refund is spelled out in the lease. This is an area where renters often get cheated.

Don't be an insurance policy pushover.

- **Credit card loss protection.** Federal law limits your loss to \$50.00. No matter how much a criminal puts on your card, you won't lose your house or life savings.
- **Life insurance.** It's OK to buy it from an insurance company, it's not OK to buy it from a credit card company's solicitation or a mortgage company. If you're worried about dying and having your family stuck with mortgage payments, buy a term-life policy direct from an insurance company. It will cost a lot less.
- **Movers insurance.** Movers insurance is based on weight, not value of goods carried. Movers are not responsible for more than \$.60 a pound for interstate moves; less for instate moves. So if you're moving, just get a rider on your home owner's policy.

* Savings ideas brought to you from Flagler College Students in Free Enterprise in association with Sam Walton Free Enterprise Fellows.

FOOD FOR THOUGHT

Faults uncorrected today becomes tomorrow's standard. Make corrections right away. Attention to detail - do it right the first time. LTC Gordon Moore

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THE SERVICEMEMBERS CIVIL RELIEF ACT (SCRA)

On 19 December 2003, President Bush signed into law H.R. 100, the **Servicemembers Civil Relief Act (SCRA)**, formerly known as the **Soldiers and Sailors Civil Relief Act (SSCRA)**. SCRA affords protection to active duty members, as well as Reservists and members of the National Guard when in active federal service. National Guard members are also entitled to SCRA protection when called to state active duty under Title 32, if the duty is because of a federal emergency that is longer than thirty (30) days. The SCRA was written to clarify the language of the SSCRA, to incorporate many years of judicial interpretation of the SSCRA, and to update the SSCRA to reflect new developments in American life since 1940, when it was first written. The protections afforded under SCRA are as follows:

Termination of residential leases. The SCRA allows individuals to break a lease when they go on active duty, if the lease was entered into before going on active duty. Additionally, the act allows a servicemember to terminate a residential lease entered into while in the military, if the member receives permanent change of station (PCS) orders, or orders to deploy for a period of not less than 90 days. This protection covers "lease of premises occupied, or intended to be occupied, by a servicemember or a servicemember's dependents for a residential, professional, business, agricultural, or similar purpose." To break the lease, the servicemember must make the request in writing, and must include a copy of their orders.

Termination of automobile leases. A servicemember who enters into an automobile lease before going on active duty for more than 180 days, may request termination of the lease when he/she goes on active duty. The Act specifically covers "lease of a motor vehicle used, or intended to be used, by a servicemember or a servicemember's dependents for personal or business transportation." To terminate the lease, the member must make the request in writing, and submit it along with a copy of their orders. Additionally, the member must return the

vehicle to the lessor within 15 days of delivery of the termination notice. The lessor is prohibited from charging an early lease termination fee. However, any taxes, title and registration fees, charges for excess wear, use and mileage and any other obligation and liability of the lessee in accordance with the terms of the lease, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

Evictions from leased housing. The Act modifies the eviction protection by precluding evictions from premises occupied by servicemembers for which the monthly rent does not exceed \$2,400 for the year 2003 (the actual amount is automatically adjusted each year, by the inflation rate). The servicemember or dependent who has received notice of an eviction must submit a request to the court for protection under SCRA. If the court finds that the servicemember's military duties have materially affected his ability to pay his rent timely, the judge may order a stay (postponement) of the eviction proceeding for up to 3 months or make any other "just" order.

Installment Contracts. The SCRA gives certain protections against repossessions for installment contracts (including automobile leases), if the contract was entered into before going on active duty and at least one payment was made before that time. The creditor cannot repossess the property while the member is on active duty, nor can they terminate the contract for breach, without a court order.

6% Interest Rate. If a servicemember's military obligation has affected his/her ability to pay on financial obligations such as credit cards, loans, mortgages, etc., the service member can have his/her interest rate capped at 6% for the duration of the servicemember's military obligation. Note that student loans are not included under this protection. Additionally, qualifying debts are debts that were incurred by the servicemember, or the servicemember and their spouse jointly, *before* coming on active duty. Debts entered into after going on active duty are not protected. Note that this particular provision of the Act **only applies if** the servicemember's military service affects their ability to pay. However, the burden is on the creditor to seek relief in court if the creditor believes that the servicemember's military career does not materially affect their ability to pay. The SCRA clarifies that the interest in excess of 6% must be forgiven and not merely deferred. It also specifies that the request for reduction must be in writing.



THE LAUGHABLE ESQUIRE

A lawyer defending a man accused of burglary tried this creative defense: "My client merely inserted his arm into the window & removed a few lbs. His arm is not himself, & I fail to see how you can punish the whole person for an offense committed by his limb." "Well put," the judge replied. "Using your logic, I sentence the defendant's arm to one year's imprisonment. He can accompany it or not, as he chooses." The defendant smiled. With his lawyer's assistance he detached his artificial limb, laid it on the bench, and walked out.