

SERVICEMEMBERS CIVIL RELIEF ACT CHECKLIST

*Must have written request from servicemember AND copy of orders!

1. Does the person qualify:
 - Member of Army, Navy, Air Force, Marines or Coast Guard on active duty
 - Member of the reserves (when called to active duty) Titles II and III
 - Member of the National Guard, under Titles 10 or 32¹

2. Period of Military Service
 - Servicemember: begins on date of entry into military service: _____
 - Reservist begins on the date they receive their orders to report. _____

This is the date the interest rate must be changed to 6%.

3. Take the principal balance on the loan and re-amortize that amount at 6% over the remaining term of the loan. This should reduce the payment amount, but maintain the same payment schedule to pay off the loan.

EXAMPLE:

Principal Amount	Interest Rate	Term	Payment Amount
\$100,000	8%	60 Months	\$2,027.64
Customer makes 10 payments then gets orders.			
\$85,974.64	6%	50 Months	\$1,947.65

This interest is FORGIVEN not deferred.

Send letter to servicemember informing of rate change.

4. Maintenance the loan so no charges, other than interest can be charged to the servicemember. (this includes late charges). We cannot collect late charges assessed prior to the servicemember's receipt of orders during the term of service. Existing late charges can be ballooned at the end of the loan, assuming the service period ends before the loan maturity. If not, the late charges will have to be reduced to 6% of the payment amount to be collected (See Compliance for further assistance.) If collection proceedings are underway with this servicemember, contact Compliance immediately.

5. Fifteen (15) days prior to termination of active duty, send a letter explaining how the rate will return to the contract rate unless new orders have been received.

¹ The orders should indicate under what Title a National Guardsman is activated.