



## **VSB MLS SAILOR LEGAL READINESS SUPPORT**

### **Motor Vehicle Lease Termination**

### **Servicemember's Civil Relief Act 50 USC app 535**



The SCRA is a federal law designed to help maintain the mission readiness of servicemembers by providing special protections that reduce the impact and immediacy of many civil legal matters. Some of the rights conferred on servicemembers by the SCRA are: the modification of contract rights; the delay or stay of civil court cases and administrative agency rulings; the reopening of default judgments; the tolling of the statute of limitations on the time to bring a law suit; the adjustment the dollar amount of judgments; the delay of the execution of judgments; and court intervention prior to the taking of property.

A servicemember may terminate a motor vehicle lease under the following circumstances:

a. Any time after his or her entry into active duty service, or any time after he or she receives call to duty orders for 180 days or more, or any time after entry onto active duty for a period of less than 180 days where that period of duty is extended to 180 days or more;

b. In the event of a permanent change of station from a location in the continental United States to a location outside the continental United States, or from a location in a State outside the continental United States to any location outside that State; and/or

c. In the event of deployment with a military unit or as an individual in support of a military operation for a period of 180 days or more.

Joint leases are covered under this Act and termination by the servicemember also terminates the lease obligation for dependents under the lease.

To terminate a lease under the SCRA the servicemember must deliver written notice of his or her intent to terminate and a copy of the military orders to the dealership or the dealership's agent. Military orders may be official orders or any form of notification from the servicemember's commanding officer. The copy of the orders does not have to be delivered with the notice, but must be delivered prior to termination. Delivery of the notice should be provided with a means of verification. If delivery is by hand, obtain a signed copy indicating the date it was accepted. If delivery is by mail use certified mail return receipt requested to verify that the notice was in fact received.

The vehicle must be surrendered to the dealership no later than 15 days after the delivery of the notice. The effective date of termination is the date on which the notice, orders and vehicle have been delivered to the dealership or its agent.

Termination of a lease under the SCRA is not early termination but a contract modification under federal law changing the termination date. The law does not allow the dealership to charge an early termination fee. The servicemember is still responsible for damages, taxes, and excess mileage.

If the dealership violates this provision of the SCRA the servicemember can pursue a civil cause of action for damages and the court can order the dealership to pay costs and attorney fees related to the suit.