

108TH CONGRESS  
1ST SESSION

**H. R. 100**

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**AN ACT**

To restate, clarify, and revise the Soldiers' and  
Sailors' Civil Relief Act of 1940.



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## AN ACT

To restate, clarify, and revise the Soldiers' and Sailors' Civil Relief Act of 1940.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. RESTATEMENT OF ACT.**

2 The Soldiers' and Sailors' Civil Relief Act of 1940  
3 (50 U.S.C. App. 501 et seq.) is amended to read as fol-  
4 lows:

5 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

6 “(a) SHORT TITLE.—This Act may be cited as the  
7 ‘Servicemembers Civil Relief Act’.

8 “(b) TABLE OF CONTENTS.—The table of contents  
9 of this Act is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Purpose.

“TITLE I—GENERAL PROVISIONS

“Sec. 101. Definitions.

“Sec. 102. Jurisdiction and applicability of Act.

“Sec. 103. Protection of persons secondarily liable.

“Sec. 104. Extension of protections to citizens serving with allied forces.

“Sec. 105. Notification of benefits.

“Sec. 106. Extension of rights and protections to Reserves ordered to report for  
military service and to persons ordered to report for induction.

“Sec. 107. Waiver of rights pursuant to written agreement.

“Sec. 108. Exercise of rights under Act not to affect certain future financial  
transactions.

“Sec. 109. Legal representatives.

“TITLE II—GENERAL RELIEF

“Sec. 201. Protection of servicemembers against default judgments.

“Sec. 202. Stay of proceedings when servicemember defendant has notice.

“Sec. 203. Fines and penalties under contracts.

“Sec. 204. Stay or vacation of execution of judgments, attachments, and gar-  
nishments.

“Sec. 205. Duration and term of stays; codefendants not in service.

“Sec. 206. Statute of limitations.

“Sec. 207. Maximum rate of interest on debts incurred before military service.

“TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES,  
LIENS, ASSIGNMENT, LEASES

“Sec. 301. Evictions and distress.

“Sec. 302. Protection under installment contracts for purchase or lease.

“Sec. 303. Mortgages and trust deeds.

“Sec. 304. Settlement of stayed cases relating to personal property.

“Sec. 305. Termination of leases by lessees.

“Sec. 306. Protection of life insurance policy.

- “Sec. 307. Enforcement of storage liens.
- “Sec. 308. Extension of protections to dependents.

“TITLE IV—LIFE INSURANCE

- “Sec. 401. Definitions.
- “Sec. 402. Insurance rights and protections.
- “Sec. 403. Application for insurance protection.
- “Sec. 404. Policies entitled to protection and lapse of policies.
- “Sec. 405. Policy restrictions.
- “Sec. 406. Deduction of unpaid premiums.
- “Sec. 407. Premiums and interest guaranteed by United States.
- “Sec. 408. Regulations.
- “Sec. 409. Review of findings of fact and conclusions of law.

“TITLE V—TAXES AND PUBLIC LANDS

- “Sec. 501. Taxes respecting personal property, money, credits, and real property.
- “Sec. 502. Rights in public lands.
- “Sec. 503. Desert-land entries.
- “Sec. 504. Mining claims.
- “Sec. 505. Mineral permits and leases.
- “Sec. 506. Perfection or defense of rights.
- “Sec. 507. Distribution of information concerning benefits of title.
- “Sec. 508. Land rights of servicemembers.
- “Sec. 509. Regulations.
- “Sec. 510. Income taxes.
- “Sec. 511. Residence for tax purposes.

“TITLE VI—ADMINISTRATIVE REMEDIES

- “Sec. 601. Inappropriate use of Act.
- “Sec. 602. Certificates of service; persons reported missing.
- “Sec. 603. Interlocutory orders.

“TITLE VII—FURTHER RELIEF

- “Sec. 701. Anticipatory relief.
- “Sec. 702. Power of attorney.
- “Sec. 703. Professional liability protection.
- “Sec. 704. Health insurance reinstatement.
- “Sec. 705. Guarantee of residency for military personnel.

1 **“SEC. 2. PURPOSE.**

2 “The purposes of this Act are—

3 “(1) to provide for, strengthen, and expedite  
 4 the national defense through protection extended by  
 5 this Act to servicemembers of the United States to

1 enable such persons to devote their entire energy to  
2 the defense needs of the Nation; and

3 “(2) to provide for the temporary suspension of  
4 judicial and administrative proceedings and trans-  
5 actions that may adversely affect the civil rights of  
6 servicemembers during their military service.

## 7 **“TITLE I—GENERAL PROVISIONS**

### 8 **“SEC. 101. DEFINITIONS.**

9 “For the purposes of this Act:

10 “(1) **SERVICEMEMBER.**—The term  
11 ‘servicemember’ means a member of the uniformed  
12 services, as that term is defined in section 101(a)(5)  
13 of title 10, United States Code.

14 “(2) **MILITARY SERVICE.**—The term ‘military  
15 service’ means—

16 “(A) in the case of a servicemember who is  
17 a member of the Army, Navy, Air Force, Ma-  
18 rine Corps, or Coast Guard—

19 “(i) active duty, as defined in section  
20 101(d)(1) of title 10, United States Code,  
21 and

22 “(ii) in the case of a member of the  
23 National Guard, includes service under a  
24 call to active service authorized by the  
25 President or the Secretary of Defense for

1 a period of more than 30 consecutive days  
2 under section 502(f) of title 32, United  
3 States Code, for purposes of responding to  
4 a national emergency declared by the  
5 President and supported by Federal funds;  
6 and

7 “(B) in the case of a servicemember who  
8 is a commissioned officer of the Public Health  
9 Service or the National Oceanic and Atmos-  
10 pheric Administration, active service.

11 “(3) PERIOD OF MILITARY SERVICE.—The term  
12 ‘period of military service’ means the period begin-  
13 ning on the date on which a servicemember enters  
14 military service and ending on the date on which the  
15 servicemember is released from military service or  
16 dies while in military service.

17 “(4) DEPENDENT.—The term ‘dependent’, with  
18 respect to a servicemember, means—

19 “(A) the servicemember’s spouse;

20 “(B) the servicemember’s child (as defined  
21 in section 101(4) of title 38, United States  
22 Code); or

23 “(C) an individual for whom the  
24 servicemember provided more than one-half of  
25 the individual’s support for 180 days imme-

1           diately preceding an application for relief under  
2           this Act.

3           “(5) COURT.—The term ‘court’ means a court  
4           or an administrative agency of the United States or  
5           of any State (including any political subdivision of a  
6           State), whether or not a court or administrative  
7           agency of record.

8           “(6) STATE.—The term ‘State’ includes—

9                   “(A) a commonwealth, territory, or posses-  
10                  sion of the United States; and

11                  “(B) the District of Columbia.

12           “(7) SECRETARY CONCERNED.—The term ‘Sec-  
13           retary concerned’—

14                   “(A) with respect to a member of the  
15                  armed forces, has the meaning given that term  
16                  in section 101(a)(9) of title 10, United States  
17                  Code;

18                   “(B) with respect to a commissioned offi-  
19                  cer of the Public Health Service, means the  
20                  Secretary of Health and Human Services; and

21                   “(C) with respect to a commissioned offi-  
22                  cer of the National Oceanic and Atmospheric  
23                  Administration, means the Secretary of Com-  
24                  merce.



1 **“SEC. 102. JURISDICTION AND APPLICABILITY OF ACT.**

2 “(a) JURISDICTION.—This Act applies to—

3 “(1) the United States;

4 “(2) each of the States, including the political  
5 subdivisions thereof; and

6 “(3) all territory subject to the jurisdiction of  
7 the United States.

8 “(b) APPLICABILITY TO PROCEEDINGS.—This Act  
9 applies to any judicial or administrative proceeding com-  
10 menced in any court or agency in any jurisdiction subject  
11 to this Act. This Act does not apply to criminal pro-  
12 ceedings.

13 “(c) COURT IN WHICH APPLICATION MAY BE  
14 MADE.—When under this Act any application is required  
15 to be made to a court in which no proceeding has already  
16 been commenced with respect to the matter, such applica-  
17 tion may be made to any court which would otherwise have  
18 jurisdiction over the matter.

19 **“SEC. 103. PROTECTION OF PERSONS SECONDARILY LIA-**  
20 **BLE.**

21 “(a) EXTENSION OF PROTECTION WHEN ACTIONS  
22 STAYED, POSTPONED, OR SUSPENDED.—Whenever pur-  
23 suant to this Act a court stays, postpones, or suspends  
24 (1) the enforcement of an obligation or liability, (2) the  
25 prosecution of a suit or proceeding, (3) the entry or en-  
26 forcement of an order, writ, judgment, or decree, or (4)

1 the performance of any other act, the court may likewise  
2 grant such a stay, postponement, or suspension to a sur-  
3 ety, guarantor, endorser, accommodation maker, comaker,  
4 or other person who is or may be primarily or secondarily  
5 subject to the obligation or liability the performance or  
6 enforcement of which is stayed, postponed, or suspended.

7 “(b) VACATION OR SET-ASIDE OF JUDGMENTS.—  
8 When a judgment or decree is vacated or set aside, in  
9 whole or in part, pursuant to this Act, the court may also  
10 set aside or vacate, as the case may be, the judgment or  
11 decree as to a surety, guarantor, endorser, accommodation  
12 maker, comaker, or other person who is or may be pri-  
13 marily or secondarily liable on the contract or liability for  
14 the enforcement of the judgment or decree.

15 “(c) BAIL BOND NOT TO BE ENFORCED DURING  
16 PERIOD OF MILITARY SERVICE.—A court may not enforce  
17 a bail bond during the period of military service of the  
18 principal on the bond when military service prevents the  
19 surety from obtaining the attendance of the principal. The  
20 court may discharge the surety and exonerate the bail, in  
21 accordance with principles of equity and justice, during  
22 or after the period of military service of the principal.

23 “(d) WAIVER OF RIGHTS.—

24 “(1) WAIVERS NOT PRECLUDED.—This Act  
25 does not prevent a waiver in writing by a surety,

1 guarantor, endorser, accommodation maker,  
2 comaker, or other person (whether primarily or sec-  
3 ondarily liable on an obligation or liability) of the  
4 protections provided under subsections (a) and (b).  
5 Any such waiver is effective only if it is executed as  
6 an instrument separate from the obligation or liabil-  
7 ity with respect to which it applies.

8 “(2) WAIVER INVALIDATED UPON ENTRANCE  
9 TO MILITARY SERVICE.—If a waiver under para-  
10 graph (1) is executed by an individual who after the  
11 execution of the waiver enters military service, or by  
12 a dependent of an individual who after the execution  
13 of the waiver enters military service, the waiver is  
14 not valid after the beginning of the period of such  
15 military service unless the waiver was executed by  
16 such individual or dependent during the period spec-  
17 ified in section 106.

18 **“SEC. 104. EXTENSION OF PROTECTIONS TO CITIZENS**  
19 **SERVING WITH ALLIED FORCES.**

20 “A citizen of the United States who is serving with  
21 the forces of a nation with which the United States is al-  
22 lied in the prosecution of a war or military action is enti-  
23 tled to the relief and protections provided under this Act  
24 if that service with the allied force is similar to military  
25 service as defined in this Act. The relief and protections

1 provided to such citizen shall terminate on the date of dis-  
2 charge or release from such service.

3 **“SEC. 105. NOTIFICATION OF BENEFITS.**

4 “The Secretary concerned shall ensure that notice of  
5 the benefits accorded by this Act is provided in writing  
6 to persons in military service and to persons entering mili-  
7 tary service.

8 **“SEC. 106. EXTENSION OF RIGHTS AND PROTECTIONS TO**  
9 **RESERVES ORDERED TO REPORT FOR MILI-**  
10 **TARY SERVICE AND TO PERSONS ORDERED**  
11 **TO REPORT FOR INDUCTION.**

12 “(a) RESERVES ORDERED TO REPORT FOR MILI-  
13 TARY SERVICE.—A member of a reserve component who  
14 is ordered to report for military service is entitled to the  
15 rights and protections of this title and titles II and III  
16 during the period beginning on the date of the member’s  
17 receipt of the order and ending on the date on which the  
18 member reports for military service (or, if the order is re-  
19 voked before the member so reports, or the date on which  
20 the order is revoked).

21 “(b) PERSONS ORDERED TO REPORT FOR INDUC-  
22 TION.—A person who has been ordered to report for in-  
23 duction under the Military Selective Service Act (50  
24 U.S.C. App. 451 et seq.) is entitled to the rights and pro-  
25 tections provided a servicemember under this title and ti-

1 tles II and III during the period beginning on the date  
2 of receipt of the order for induction and ending on the  
3 date on which the person reports for induction (or, if the  
4 order to report for induction is revoked before the date  
5 on which the person reports for induction, on the date on  
6 which the order is revoked).

7 **“SEC. 107. WAIVER OF RIGHTS PURSUANT TO WRITTEN**  
8 **AGREEMENT.**

9 “(a) IN GENERAL.—A servicemember may waive any  
10 of the rights and protections provided by this Act. In the  
11 case of a waiver that permits an action described in sub-  
12 section (b), the waiver is effective only if made pursuant  
13 to a written agreement of the parties that is executed dur-  
14 ing or after the servicemember’s period of military service.  
15 The written agreement shall specify the legal instrument  
16 to which the waiver applies and, if the servicemember is  
17 not a party to that instrument, the servicemember con-  
18 cerned.

19 “(b) ACTIONS REQUIRING WAIVERS IN WRITING.—  
20 The requirement in subsection (a) for a written waiver ap-  
21 plies to the following:

22 “(1) The modification, termination, or cancella-  
23 tion of—

24 “(A) a contract, lease, or bailment; or

1           “(B) an obligation secured by a mortgage,  
2           trust, deed, lien, or other security in the nature  
3           of a mortgage.

4           “(2) The repossession, retention, foreclosure,  
5           sale, forfeiture, or taking possession of property  
6           that—

7                       “(A) is security for any obligation; or

8                       “(B) was purchased or received under a  
9           contract, lease, or bailment.

10          “(c) COVERAGE OF PERIODS AFTER ORDERS RE-  
11          CEIVED.—For the purposes of this section—

12                       “(1) a person to whom section 106 applies shall  
13          be considered to be a servicemember; and

14                       “(2) the period with respect to such a person  
15          specified in subsection (a) or (b), as the case may  
16          be, of section 106 shall be considered to be a period  
17          of military service.

18          **“SEC. 108. EXERCISE OF RIGHTS UNDER ACT NOT TO AF-**  
19                               **FECT CERTAIN FUTURE FINANCIAL TRANS-**  
20                               **ACTIONS.**

21          “Application by a servicemember for, or receipt by  
22          a servicemember of, a stay, postponement, or suspension  
23          pursuant to this Act in the payment of a tax, fine, penalty,  
24          insurance premium, or other civil obligation or liability of  
25          that servicemember shall not itself (without regard to

1 other considerations) provide the basis for any of the fol-  
2 lowing:

3           “(1) A determination by a lender or other per-  
4           son that the servicemember is unable to pay the civil  
5           obligation or liability in accordance with its terms.

6           “(2) With respect to a credit transaction be-  
7           tween a creditor and the servicemember—

8                   “(A) a denial or revocation of credit by the  
9                   creditor;

10                   “(B) a change by the creditor in the terms  
11                   of an existing credit arrangement; or

12                   “(C) a refusal by the creditor to grant  
13                   credit to the servicemember in substantially the  
14                   amount or on substantially the terms requested.

15           “(3) An adverse report relating to the credit-  
16           worthiness of the servicemember by or to a person  
17           engaged in the practice of assembling or evaluating  
18           consumer credit information.

19           “(4) A refusal by an insurer to insure the  
20           servicemember.

21           “(5) An annotation in a servicemember’s record  
22           by a creditor or a person engaged in the practice of  
23           assembling or evaluating consumer credit informa-  
24           tion, identifying the servicemember as a member of  
25           the National Guard or a reserve component.

1           “(6) A change in the terms offered or condi-  
2           tions required for the issuance of insurance.

3   **“SEC. 109. LEGAL REPRESENTATIVES.**

4           “(a) REPRESENTATIVE.—A legal representative of a  
5   servicemember for purposes of this Act is either of the  
6   following:

7           “(1) An attorney acting on the behalf of a  
8           servicemember.

9           “(2) An individual possessing a power of attor-  
10          ney.

11          “(b) APPLICATION.—Whenever the term  
12   ‘servicemember’ is used in this Act, such term shall be  
13   treated as including a reference to a legal representative  
14   of the servicemember.

15   **“TITLE II—GENERAL RELIEF**

16   **“SEC. 201. PROTECTION OF SERVICEMEMBERS AGAINST**  
17                           **DEFAULT JUDGMENTS.**

18          “(a) APPLICABILITY OF SECTION.—This section ap-  
19   plies to any civil action or proceeding in which the defend-  
20   ant does not make an appearance.

21          “(b) AFFIDAVIT REQUIREMENT.—

22               “(1) PLAINTIFF TO FILE AFFIDAVIT.—In any  
23               action or proceeding covered by this section, the  
24               court, before entering judgment for the plaintiff,



1 shall require the plaintiff to file with the court an  
2 affidavit—

3 “(A) stating whether or not the defendant  
4 is in military service and showing necessary  
5 facts to support the affidavit; or

6 “(B) if the plaintiff is unable to determine  
7 whether or not the defendant is in military  
8 service, stating that the plaintiff is unable to  
9 determine whether or not the defendant is in  
10 military service.

11 “(2) APPOINTMENT OF ATTORNEY TO REP-  
12 RESENT DEFENDANT IN MILITARY SERVICE.—If in  
13 an action covered by this section it appears that the  
14 defendant is in military service, the court may not  
15 enter a judgment until after the court appoints an  
16 attorney to represent the defendant. If an attorney  
17 appointed under this section to represent a  
18 servicemember cannot locate the servicemember, ac-  
19 tions by the attorney in the case shall not waive any  
20 defense of the servicemember or otherwise bind the  
21 servicemember.

22 “(3) DEFENDANT’S MILITARY STATUS NOT  
23 ASCERTAINED BY AFFIDAVIT.—If based upon the af-  
24 fidavits filed in such an action, the court is unable  
25 to determine whether the defendant is in military

1 service, the court, before entering judgment, may re-  
2 quire the plaintiff to file a bond in an amount ap-  
3 proved by the court. If the defendant is later found  
4 to be in military service, the bond shall be available  
5 to indemnify the defendant against any loss or dam-  
6 age the defendant may suffer by reason of any judg-  
7 ment for the plaintiff against the defendant, should  
8 the judgment be set aside in whole or in part. The  
9 bond shall remain in effect until expiration of the  
10 time for appeal and setting aside of a judgment  
11 under applicable Federal or State law or regulation  
12 or under any applicable ordinance of a political sub-  
13 division of a State. The court may issue such orders  
14 or enter such judgments as the court determines  
15 necessary to protect the rights of the defendant  
16 under this Act.

17 “(4) SATISFACTION OF REQUIREMENT FOR AF-  
18 FIDAVIT.—The requirement for an affidavit under  
19 paragraph (1) may be satisfied by a statement, dec-  
20 laration, verification, or certificate, in writing, sub-  
21 scribed and certified or declared to be true under  
22 penalty of perjury.

23 “(c) PENALTY FOR MAKING OR USING FALSE AFFI-  
24 DAVIT.—A person who makes or uses an affidavit per-  
25 mitted under subsection (b) (or a statement, declaration,

1 verification, or certificate as authorized under subsection  
2 (b)(4)) knowing it to be false, shall be fined as provided  
3 in title 18, United States Code, or imprisoned for not more  
4 than one year, or both.

5 “(d) STAY OF PROCEEDINGS.—In an action covered  
6 by this section in which the defendant is in military serv-  
7 ice, the court shall grant a stay of proceedings for a min-  
8 imum period of 90 days under this subsection upon appli-  
9 cation of counsel, or on the court’s own motion, if the  
10 court determines that—

11 “(1) there may be a defense to the action and  
12 a defense cannot be presented without the presence  
13 of the defendant; or

14 “(2) after due diligence, counsel has been un-  
15 able to contact the defendant or otherwise determine  
16 if a meritorious defense exists.

17 “(e) INAPPLICABILITY OF SECTION 202 PROCE-  
18 DURES.—A stay of proceedings under subsection (d) shall  
19 not be controlled by procedures or requirements under sec-  
20 tion 202.

21 “(f) SECTION 202 PROTECTION.—If a servicemember  
22 who is a defendant in an action covered by this section  
23 receives actual notice of the action, the servicemember  
24 may request a stay of proceeding under section 202.

1       “(g) VACATION OR SETTING ASIDE OF DEFAULT  
2 JUDGMENTS.—

3               “(1) AUTHORITY FOR COURT TO VACATE OR  
4 SET ASIDE JUDGMENT.—If a default judgment is en-  
5 tered in an action covered by this section against a  
6 servicemember during the servicemember’s period of  
7 military service (or within 60 days after termination  
8 of or release from such military service), the court  
9 entering the judgment shall, upon application by or  
10 on behalf of the servicemember, reopen the judgment  
11 for the purpose of allowing the servicemember to de-  
12 fend the action if it appears that—

13               “(A) the servicemember was materially af-  
14 fected by reason of that military service in mak-  
15 ing a defense to the action; and

16               “(B) the servicemember has a meritorious  
17 or legal defense to the action or some part of  
18 it.

19               “(2) TIME FOR FILING APPLICATION.—An ap-  
20 plication under this subsection must be filed not  
21 later than 90 days after the date of the termination  
22 of or release from military service.

23       “(h) PROTECTION OF BONA FIDE PURCHASER.—If  
24 a court vacates, sets aside, or reverses a default judgment  
25 against a servicemember and the vacating, setting aside,

1 or reversing is because of a provision of this Act, that ac-  
2 tion shall not impair a right or title acquired by a bona  
3 fide purchaser for value under the default judgment.

4 **“SEC. 202. STAY OF PROCEEDINGS WHEN SERVICEMEMBER**  
5 **DEFENDANT HAS NOTICE.**

6 “(a) **APPLICABILITY OF SECTION.**—This section ap-  
7 plies to any civil action or proceeding in which the defend-  
8 ant at the time of filing an application under this  
9 section—

10 “(1) is in military service or is within 90 days  
11 after termination of or release from military service;  
12 and

13 “(2) has received notice of the action or pro-  
14 ceeding.

15 “(b) **AUTOMATIC STAY.**—

16 “(1) **AUTHORITY FOR STAY.**—At any stage be-  
17 fore final judgment in a civil action or proceeding in  
18 which a servicemember described in subsection (a) is  
19 a party, the court may on its own motion and shall,  
20 upon application by the servicemember, stay the ac-  
21 tion for a period of not less than 90 days, if the con-  
22 ditions in paragraph (2) are met.

23 “(2) **CONDITIONS FOR STAY.**—An application  
24 for a stay under paragraph (1) shall include the fol-  
25 lowing:

1           “(A) A letter or other communication set-  
2           ting forth facts stating the manner in which  
3           current military duty requirements materially  
4           affect the servicemember’s ability to appear and  
5           stating a date when the servicemember will be  
6           available to appear.

7           “(B) A letter or other communication from  
8           the servicemember’s commanding officer stating  
9           that the servicemember’s current military duty  
10          prevents appearance and that military leave is  
11          not authorized for the servicemember at the  
12          time of the letter.

13          “(c) APPLICATION NOT A WAIVER OF DEFENSES.—  
14          An application for a stay under this section does not con-  
15          stitute an appearance for jurisdictional purposes and does  
16          not constitute a waiver of any substantive or procedural  
17          defense (including a defense relating to lack of personal  
18          jurisdiction).

19          “(d) ADDITIONAL STAY.—

20                 “(1) APPLICATION.—A servicemember who is  
21                 granted a stay of a civil action or proceeding under  
22                 subsection (b) may apply for an additional stay  
23                 based on continuing material affect of military duty  
24                 on the servicemember’s ability to appear. Such an  
25                 application may be made by the servicemember at

1 the time of the initial application under subsection  
2 (b) or when it appears that the servicemember is un-  
3 available to prosecute or defend the action. The  
4 same information required under subsection (b)(2)  
5 shall be included in an application under this sub-  
6 section.

7 “(2) APPOINTMENT OF COUNSEL WHEN ADDI-  
8 TIONAL STAY REFUSED.—If the court refuses to  
9 grant an additional stay of proceedings under para-  
10 graph (1), the court shall appoint counsel to rep-  
11 resent the servicemember in the action or pro-  
12 ceeding.

13 “(e) COORDINATION WITH SECTION 201.—A  
14 servicemember who applies for a stay under this section  
15 and is unsuccessful may not seek the protections afforded  
16 by section 201.

17 “(f) INAPPLICABILITY TO SECTION 301.—The pro-  
18 tections of this section do not apply to section 301.

19 **“SEC. 203. FINES AND PENALTIES UNDER CONTRACTS.**

20 “(a) PROHIBITION OF PENALTIES.—When an action  
21 for compliance with the terms of a contract is stayed pur-  
22 suant to this Act, a penalty shall not accrue for failure  
23 to comply with the terms of the contract during the period  
24 of the stay.

1       “(b) REDUCTION OR WAIVER OF FINES OR PEN-  
2 ALTIES.—If a servicemember fails to perform an obliga-  
3 tion arising under a contract and a penalty is incurred  
4 arising from that nonperformance, a court may reduce or  
5 waive the fine or penalty if—

6           “(1) the servicemember was in military service  
7 at the time the fine or penalty was incurred; and

8           “(2) the ability of the servicemember to per-  
9 form the obligation was materially affected by such  
10 military service.

11 **“SEC. 204. STAY OR VACATION OF EXECUTION OF JUDG-**  
12 **MENTS, ATTACHMENTS, AND GARNISHMENTS.**

13       “(a) COURT ACTION UPON MATERIAL AFFECT DE-  
14 TERMINATION.—If a servicemember, in the opinion of the  
15 court, is materially affected by reason of military service  
16 in complying with a court judgment or order, the court  
17 may on its own motion and shall on application by the  
18 servicemember—

19           “(1) stay the execution of any judgment or  
20 order entered against the servicemember; and

21           “(2) vacate or stay an attachment or garnish-  
22 ment of property, money, or debts in the possession  
23 of the servicemember or a third party, whether be-  
24 fore or after judgment.



1       “(b) APPLICABILITY.—This section applies to an ac-  
2 tion or proceeding commenced in a court against a  
3 servicemember before or during the period of the  
4 servicemember’s military service or within 90 days after  
5 such service terminates.

6       **“SEC. 205. DURATION AND TERM OF STAYS; CODEFEND-**  
7                                   **ANTS NOT IN SERVICE.**

8       “(a) PERIOD OF STAY.—A stay of an action, pro-  
9 ceeding, attachment, or execution made pursuant to the  
10 provisions of this Act by a court may be ordered for the  
11 period of military service and 90 days thereafter, or for  
12 any part of that period. The court may set the terms and  
13 amounts for such installment payments as is considered  
14 reasonable by the court.

15       “(b) CODEFENDANTS.—If the servicemember is a co-  
16 defendant with others who are not in military service and  
17 who are not entitled to the relief and protections provided  
18 under this Act, the plaintiff may proceed against those  
19 other defendants with the approval of the court.

20       “(c) INAPPLICABILITY OF SECTION.—This section  
21 does not apply to sections 202 and 701.

22       **“SEC. 206. STATUTE OF LIMITATIONS.**

23       “(a) TOLLING OF STATUTES OF LIMITATION DURING  
24 MILITARY SERVICE.—The period of a servicemember’s  
25 military service may not be included in computing any pe-

1 riored limited by law, regulation, or order for the bringing  
2 of any action or proceeding in a court, or in any board,  
3 bureau, commission, department, or other agency of a  
4 State (or political subdivision of a State) or the United  
5 States by or against the servicemember or the  
6 servicemember's heirs, executors, administrators, or as-  
7 signs.

8       “(b) REDEMPTION OF REAL PROPERTY.—A period  
9 of military service may not be included in computing any  
10 period provided by law for the redemption of real property  
11 sold or forfeited to enforce an obligation, tax, or assess-  
12 ment.

13       “(c) INAPPLICABILITY TO INTERNAL REVENUE  
14 LAWS.—This section does not apply to any period of limi-  
15 tation prescribed by or under the internal revenue laws  
16 of the United States.

17 **“SEC. 207. MAXIMUM RATE OF INTEREST ON DEBTS IN-**  
18 **CURRED BEFORE MILITARY SERVICE.**

19       “(a) INTEREST RATE LIMITATION.—

20               “(1) LIMITATION TO 6 PERCENT.—An obliga-  
21 tion or liability bearing interest at a rate in excess  
22 of 6 percent per year that is incurred by a  
23 servicemember, or the servicemember and the  
24 servicemember's spouse jointly, before the  
25 servicemember enters military service shall not bear

1 interest at a rate in excess of 6 percent per year  
2 during the period of military service.

3 “(2) FORGIVENESS OF INTEREST IN EXCESS OF  
4 6 PERCENT.—Interest at a rate in excess of 6 per-  
5 cent per year that would otherwise be incurred but  
6 for the prohibition in paragraph (1) is forgiven.

7 “(3) PREVENTION OF ACCELERATION OF PRIN-  
8 CIPAL.—The amount of any periodic payment due  
9 from a servicemember under the terms of the instru-  
10 ment that created an obligation or liability covered  
11 by this section shall be reduced by the amount of the  
12 interest forgiven under paragraph (2) that is allo-  
13 cable to the period for which such payment is made.

14 “(b) IMPLEMENTATION OF LIMITATION.—

15 “(1) WRITTEN NOTICE TO CREDITOR.—In  
16 order for an obligation or liability of a  
17 servicemember to be subject to the interest rate limi-  
18 tation in subsection (a), the servicemember shall  
19 provide to the creditor written notice and a copy of  
20 the military orders calling the servicemember to mili-  
21 tary service and any orders further extending mili-  
22 tary service, not later than 180 days after the date  
23 of the servicemember’s termination or release from  
24 military service.

1           “(2) LIMITATION EFFECTIVE AS OF DATE OF  
2           ORDER TO ACTIVE DUTY.—Upon receipt of written  
3           notice and a copy of orders calling a servicemember  
4           to military service, the creditor shall treat the debt  
5           in accordance with subsection (a), effective as of the  
6           date on which the servicemember is called to military  
7           service.

8           “(c) CREDITOR PROTECTION.—A court may grant a  
9           creditor relief from the limitations of this section if, in  
10          the opinion of the court, the ability of the servicemember  
11          to pay interest upon the obligation or liability at a rate  
12          in excess of 6 percent per year is not materially affected  
13          by reason of the servicemember’s military service.

14          “(d) INTEREST.—As used in this section, the term  
15          ‘interest’ includes service charges, renewal charges, fees,  
16          or any other charges (except bona fide insurance) with re-  
17          spect to an obligation or liability.

18          **“TITLE III—RENT, INSTALLMENT**  
19                 **CONTRACTS,         MORTGAGES,**  
20                 **LIENS, ASSIGNMENT, LEASES**

21          **“SEC. 301. EVICTIONS AND DISTRESS.**

22          “(a) COURT-ORDERED EVICTION.—

23                 “(1) IN GENERAL.—Except by court order, a  
24                 landlord (or another person with paramount title)  
25                 may not—

1           “(A) evict a servicemember, or the depend-  
2           ents of a servicemember, during a period of  
3           military service of the servicemember, from  
4           premises—

5                   “(i) that are occupied or intended to  
6                   be occupied primarily as a residence; and

7                   “(ii) for which the monthly rent does  
8                   not exceed \$1,700, as adjusted under para-  
9                   graph (2) for years after 2003; or

10           “(B) subject such premises to a distress  
11           during the period of military service.

12           “(2) HOUSING PRICE INFLATION ADJUST-  
13           MENT.—(A) For calendar years beginning with  
14           2004, the amount under subsection (a)(1)(A)(ii)  
15           shall be increased by the housing price inflation ad-  
16           justment for the calendar year involved.

17           “(B) For purposes of this paragraph—

18                   “(i) The housing price inflation adjustment  
19                   for any calendar year is the percentage change  
20                   (if any) by which—

21                           “(I) the CPI housing component for  
22                           November of the preceding calendar year,  
23                           exceeds

24                           “(II) the CPI housing component for  
25                           November of 1984.

1           “(ii) The term ‘CPI housing component’  
2           means the index published by the Bureau of  
3           Labor Statistics of the Department of Labor  
4           known as the Consumer Price Index, All Urban  
5           Consumers, Rent of Primary Residence, U.S.  
6           City Average.

7           “(b) STAY OF EXECUTION.—

8           “(1) COURT AUTHORITY.—Upon an application  
9           for eviction or distress with respect to premises cov-  
10          ered by this section, the court may on its own mo-  
11          tion and shall, if a request is made by or on behalf  
12          of a servicemember whose ability to pay the agreed  
13          rent is materially affected by military service—

14               “(A) stay the proceedings for a period of  
15               90 days, unless in the opinion of the court, jus-  
16               tice and equity require a longer or shorter pe-  
17               riod of time; or

18               “(B) adjust the obligation under the lease  
19               to preserve the interests of all parties.

20           “(2) RELIEF TO LANDLORD.—If a stay is  
21           granted under paragraph (1), the court may grant  
22           to the landlord (or other person with paramount  
23           title) such relief as equity may require.

24           “(c) PENALTIES.—

1           “(1) MISDEMEANOR.—Except as provided in  
2           subsection (a), a person who knowingly takes part in  
3           an eviction or distress described in subsection (a), or  
4           who knowingly attempts to do so, shall be fined as  
5           provided in title 18, United States Code, or impris-  
6           oned for not more than one year, or both.

7           “(2) PRESERVATION OF OTHER REMEDIES AND  
8           RIGHTS.—The remedies and rights provided under  
9           this section are in addition to and do not preclude  
10          any remedy for wrongful conversion (or wrongful  
11          eviction) otherwise available under the law to the  
12          person claiming relief under this section, including  
13          any award for consequential and punitive damages.

14          “(d) RENT ALLOTMENT FROM PAY OF  
15          SERVICEMEMBER.—To the extent required by a court  
16          order related to property which is the subject of a court  
17          action under this section, the Secretary concerned shall  
18          make an allotment from the pay of a servicemember to  
19          satisfy the terms of such order, except that any such allot-  
20          ment shall be subject to regulations prescribed by the Sec-  
21          retary concerned establishing the maximum amount of pay  
22          of servicemembers that may be allotted under this sub-  
23          section.

24          “(e) LIMITATION OF APPLICABILITY.—Section 202 is  
25          not applicable to this section.

1 **“SEC. 302. PROTECTION UNDER INSTALLMENT CONTRACTS**  
2 **FOR PURCHASE OR LEASE.**

3 “(a) PROTECTION UPON BREACH OF CONTRACT.—

4 “(1) PROTECTION AFTER ENTERING MILITARY  
5 SERVICE.—After a servicemember enters military  
6 service, a contract by the servicemember for—

7 “(A) the purchase of real or personal prop-  
8 erty; or

9 “(B) the lease or bailment of such prop-  
10 erty,

11 may not be rescinded or terminated for a breach of  
12 terms of the contract occurring before or during that  
13 person’s military service, nor may the property be  
14 repossessed for such breach without a court order.

15 “(2) APPLICABILITY.—This section applies only  
16 to a contract for which a deposit or installment has  
17 been paid by the servicemember before the  
18 servicemember enters military service.

19 “(b) PENALTIES.—

20 “(1) MISDEMEANOR.—A person who knowingly  
21 resumes possession of property in violation of sub-  
22 section (a), or in violation of section 107 of this Act,  
23 or who knowingly attempts to do so, shall be fined  
24 as provided in title 18, United States Code, or im-  
25 prisoned for not more than one year, or both.



1           “(2) PRESERVATION OF OTHER REMEDIES AND  
2 RIGHTS.—The remedies and rights provided under  
3 this section are in addition to and do not preclude  
4 any remedy for wrongful conversion otherwise avail-  
5 able under law to the person claiming relief under  
6 this section, including any award for consequential  
7 and punitive damages.

8           “(c) AUTHORITY OF COURT.—In a hearing based on  
9 this section, the court—

10           “(1) may order repayment to the  
11 servicemember of all or part of the prior install-  
12 ments or deposits as a condition of terminating the  
13 contract and resuming possession of the property;

14           “(2) may, on its own motion, and shall on ap-  
15 plication by a servicemember when the  
16 servicemember’s ability to comply with the contract  
17 is materially affected by military service, stay the  
18 proceedings for a period of time as, in the opinion  
19 of the court, justice and equity require; or

20           “(3) may make other disposition as is equitable  
21 to preserve the interests of all parties.

22 **“SEC. 303. MORTGAGES AND TRUST DEEDS.**

23           “(a) MORTGAGE AS SECURITY.—This section applies  
24 only to an obligation on real or personal property owned  
25 by a servicemember that—

1           “(1) originated before the period of the  
2           servicemember’s military service and for which the  
3           servicemember is still obligated; and

4           “(2) is secured by a mortgage, trust deed, or  
5           other security in the nature of a mortgage.

6           “(b) STAY OF PROCEEDINGS AND ADJUSTMENT OF  
7 OBLIGATION.—In an action filed during, or within 90 days  
8 after, a servicemember’s period of military service to en-  
9 force an obligation described in subsection (a), the court  
10 may after a hearing and on its own motion and shall upon  
11 application by a servicemember when the servicemember’s  
12 ability to comply with the obligation is materially affected  
13 by military service—

14           “(1) stay the proceedings for a period of time  
15           as justice and equity require, or

16           “(2) adjust the obligation to preserve the inter-  
17           ests of all parties.

18           “(c) SALE OR FORECLOSURE.—A sale, foreclosure, or  
19 seizure of property for a breach of an obligation described  
20 in subsection (a) shall not be valid if made during, or with-  
21 in 90 days after, the period of the servicemember’s mili-  
22 tary service except—

23           “(1) upon a court order granted before such  
24           sale, foreclosure, or seizure with a return made and  
25           approved by the court; or

1 “(2) if made pursuant to an agreement as pro-  
2 vided in section 107.

3 “(d) PENALTIES.—

4 “(1) MISDEMEANOR.—A person who knowingly  
5 makes or causes to be made a sale, foreclosure, or  
6 seizure of property that is prohibited by subsection  
7 (c), or who knowingly attempts to do so, shall be  
8 fined as provided in title 18, United States Code, or  
9 imprisoned for not more than one year, or both.

10 “(2) PRESERVATION OF OTHER REMEDIES.—

11 The remedies and rights provided under this section  
12 are in addition to and do not preclude any remedy  
13 for wrongful conversion otherwise available under  
14 law to the person claiming relief under this section,  
15 including consequential and punitive damages.

16 **“SEC. 304. SETTLEMENT OF STAYED CASES RELATING TO**  
17 **PERSONAL PROPERTY.**

18 “(a) APPRAISAL OF PROPERTY.—When a stay is  
19 granted pursuant to this Act in a proceeding to foreclose  
20 a mortgage on or to repossess personal property, or to re-  
21 scind or terminate a contract for the purchase of personal  
22 property, the court may appoint three disinterested parties  
23 to appraise the property.

24 “(b) EQUITY PAYMENT.—Based on the appraisal,  
25 and if undue hardship to the servicemember’s dependents

1 will not result, the court may order that the amount of  
2 the servicemember's equity in the property be paid to the  
3 servicemember, or the servicemember's dependents, as a  
4 condition of foreclosing the mortgage, repossessing the  
5 property, or rescinding or terminating the contract.

6 **“SEC. 305. TERMINATION OF LEASES BY LESSEES.**

7       “(a) COVERED LEASES.—This section applies to the  
8 lease of premises occupied, or intended to be occupied, by  
9 a servicemember or a servicemember's dependents for a  
10 residential, professional, business, agricultural, or similar  
11 purpose if—

12               “(1) the lease is executed by or on behalf of a  
13 person who thereafter and during the term of the  
14 lease enters military service; or

15               “(2) the servicemember, while in military serv-  
16 ice, executes a lease and thereafter receives military  
17 orders for a permanent change of station or to de-  
18 ploy with a military unit for a period of not less  
19 than 90 days.

20       “(b) NOTICE TO LESSOR.—

21               “(1) DELIVERY OF NOTICE.—A lease described  
22 in subsection (a) is terminated when written notice  
23 is delivered by the lessee to the lessor (or the lessor's  
24 grantee) or to the lessor's agent (or the agent's  
25 grantee).

1           “(2) TIME FOR NOTICE.—The written notice  
2           may be delivered at any time after the lessee’s entry  
3           into military service or the date of the military or-  
4           ders for a permanent change of station or to deploy  
5           for a period of not less than 90 days.

6           “(3) NATURE OF NOTICE.—Delivery may be  
7           accomplished—

8                   “(A) by hand delivery;

9                   “(B) by private business carrier; or

10                   “(C) by placing the written notice in an  
11           envelope with sufficient postage and addressed  
12           to the lessor (or the lessor’s grantee) or to the  
13           lessor’s agent (or the agent’s grantee) and de-  
14           positing the written notice in the United States  
15           mails.

16           “(c) EFFECTIVE DATE OF TERMINATION.—

17                   “(1) LEASE WITH MONTHLY RENT.—Termi-  
18           nation of a lease providing for monthly payment of  
19           rent shall be effective 30 days after the first date on  
20           which the next rental payment is due and payable  
21           after the date on which the notice is delivered.

22                   “(2) OTHER LEASE.—All other leases terminate  
23           on the last day of the month following the month in  
24           which the notice is delivered.

1       “(d) ARREARAGES IN RENT.—Rents unpaid for the  
2 period preceding termination shall be paid on a prorated  
3 basis.

4       “(e) RENT PAID IN ADVANCE.—Rents paid in ad-  
5 vance for a period succeeding termination shall be re-  
6 funded to the lessee by the lessor (or the lessor’s assignee  
7 or the assignee’s agent).

8       “(f) RELIEF TO LESSOR.—Upon application by the  
9 lessor to a court before the termination date provided in  
10 the written notice, relief granted by this section to a  
11 servicemember may be modified as justice and equity re-  
12 quire.

13       “(g) PENALTIES.—

14               “(1) MISDEMEANOR.—Any person who know-  
15 ingly seizes, holds, or detains the personal effects,  
16 security deposit, or other property of a  
17 servicemember or a servicemember’s dependent who  
18 lawfully terminates a lease covered by this section,  
19 or who knowingly interferes with the removal of such  
20 property from premises covered by such lease, for  
21 the purpose of subjecting or attempting to subject  
22 any of such property to a claim for rent accruing  
23 subsequent to the date of termination of such lease,  
24 or attempts to do so, shall be fined as provided in

1 title 18, United States Code, or imprisoned for not  
2 more than one year, or both.

3 “(2) PRESERVATION OF OTHER REMEDIES.—

4 The remedy and rights provided under this section  
5 are in addition to and do not preclude any remedy  
6 for wrongful conversion otherwise available under  
7 law to the person claiming relief under this section,  
8 including any award for consequential or punitive  
9 damages.

10 **“SEC. 306. PROTECTION OF LIFE INSURANCE POLICY.**

11 “(a) ASSIGNMENT OF POLICY PROTECTED.—If a life  
12 insurance policy on the life of a servicemember is assigned  
13 before military service to secure the payment of an obliga-  
14 tion, the assignee of the policy (except the insurer in con-  
15 nection with a policy loan) may not exercise, during a pe-  
16 riod of military service of the servicemember or within one  
17 year thereafter, any right or option obtained under the  
18 assignment without a court order.

19 “(b) EXCEPTION.—The prohibition in subsection (a)  
20 shall not apply—

21 “(1) if the assignee has the written consent of  
22 the insured made during the period described in sub-  
23 section (a)(1);

24 “(2) when the premiums on the policy are due  
25 and unpaid; or

1           “(3) upon the death of the insured.

2           “(c) ORDER REFUSED BECAUSE OF MATERIAL AF-  
3 FECT.—A court which receives an application for an order  
4 required under subsection (a) may refuse to grant such  
5 order if the court determines the ability of the  
6 servicemember to comply with the terms of the obligation  
7 is materially affected by military service.

8           “(d) TREATMENT OF GUARANTEED PREMIUMS.—  
9 For purposes of this subsection, premiums guaranteed  
10 under the provisions of title IV of this Act shall not be  
11 considered due and unpaid.

12          “(e) PENALTIES.—

13           “(1) MISDEMEANOR.—A person who knowingly  
14 takes an action contrary to this section, or attempts  
15 to do so, shall be fined as provided in title 18,  
16 United States Code, or imprisoned for not more  
17 than one year, or both.

18           “(2) PRESERVATION OF OTHER REMEDIES.—  
19 The remedy and rights provided under this section  
20 are in addition to and do not preclude any remedy  
21 for wrongful conversion otherwise available under  
22 law to the person claiming relief under this section,  
23 including any consequential or punitive damages.

24 **“SEC. 307. ENFORCEMENT OF STORAGE LIENS.**

25          “(a) LIENS.—



1           “(1) LIMITATION ON FORECLOSURE OR EN-  
2           FORCEMENT.—A person holding a lien on the prop-  
3           erty or effects of a servicemember may not, during  
4           any period of military service of the servicemember  
5           and for 90 days thereafter, foreclose or enforce any  
6           lien on such property or effects without a court  
7           order granted before foreclosure or enforcement.

8           “(2) LIEN DEFINED.—For the purposes of  
9           paragraph (1), the term ‘lien’ includes a lien for  
10          storage, repair, or cleaning of the property or effects  
11          of a servicemember or a lien on such property or ef-  
12          fects for any other reason.

13          “(b) STAY OF PROCEEDINGS.—In a proceeding to  
14          foreclose or enforce a lien subject to this section, the court  
15          may on its own motion, and shall if requested by a  
16          servicemember whose ability to comply with the obligation  
17          resulting in the proceeding is materially affected by mili-  
18          tary service—

19                 “(1) stay the proceeding for a period of time as  
20                 justice and equity require; or

21                 “(2) adjust the obligation to preserve the inter-  
22                 ests of all parties.

23          The provisions of this subsection do not affect the scope  
24          of section 303.

25          “(c) PENALTIES.—

1           “(1) MISDEMEANOR.—A person who knowingly  
2           takes an action contrary to this section, or attempts  
3           to do so, shall be fined as provided in title 18,  
4           United States Code, or imprisoned for not more  
5           than one year, or both.

6           “(2) PRESERVATION OF OTHER REMEDIES.—  
7           The remedy and rights provided under this section  
8           are in addition to and do not preclude any remedy  
9           for wrongful conversion otherwise available under  
10          law to the person claiming relief under this section,  
11          including any consequential or punitive damages.

12   **“SEC. 308. EXTENSION OF PROTECTIONS TO DEPENDENTS.**

13          “Upon application to a court, a dependent of a  
14          servicemember is entitled to the protections of this title  
15          if the dependent’s ability to comply with a lease, contract,  
16          bailment, or other obligation is materially affected by rea-  
17          son of the servicemember’s military service.

18    **“TITLE IV—LIFE INSURANCE**

19   **“SEC. 401. DEFINITIONS.**

20          “For the purposes of this title:

21               “(1) POLICY.—The term ‘policy’ means any  
22               contract for whole, endowment, universal, or term  
23               life insurance, including any benefit in the nature of  
24               such insurance arising out of membership in any  
25               fraternal or beneficial association which—

1 “(A) provides that the insurer may not—

2 “(i) decrease the amount of coverage  
3 or increase the amount of premiums if the  
4 insured is in military service; or

5 “(ii) limit or restrict coverage for any  
6 activity required by military service; and

7 “(B) is in force not less than 180 days be-  
8 fore the date of the insured’s entry into military  
9 service and at the time of application under this  
10 title.

11 “(2) PREMIUM.—The term ‘premium’ means  
12 the amount specified in an insurance policy to be  
13 paid to keep the policy in force.

14 “(3) INSURED.—The term ‘insured’ means a  
15 servicemember whose life is insured under a policy.

16 “(4) INSURER.—The term ‘insurer’ includes  
17 any firm, corporation, partnership, association, or  
18 business that is chartered or authorized to provide  
19 insurance and issue contracts or policies by the laws  
20 of a State or the United States.

21 **“SEC. 402. INSURANCE RIGHTS AND PROTECTIONS.**

22 “(a) RIGHTS AND PROTECTIONS.—The rights and  
23 protections under this title apply to the insured when the  
24 insured, the insured’s designee, or the insured’s bene-  
25 ficiary applies in writing for protection under this title,

1 unless the Secretary of Veterans Affairs determines that  
2 the insured's policy is not entitled to protection under this  
3 title.

4       “(b) NOTIFICATION AND APPLICATION.—The Sec-  
5 retary of Veterans Affairs shall notify the Secretary con-  
6 cerned of the procedures to be used to apply for the pro-  
7 tections provided under this title. The applicant shall send  
8 the original application to the insurer and a copy to the  
9 Secretary of Veterans Affairs.

10       “(c) LIMITATION ON AMOUNT.—The total amount of  
11 life insurance coverage protection provided by this title for  
12 a servicemember may not exceed \$250,000, or an amount  
13 equal to the Servicemember's Group Life Insurance max-  
14 imum limit, whichever is greater, regardless of the number  
15 of policies submitted.

16 **“SEC. 403. APPLICATION FOR INSURANCE PROTECTION.**

17       “(a) APPLICATION PROCEDURE.—An application for  
18 protection under this title shall—

19               “(1) be in writing and signed by the insured,  
20 the insured's designee, or the insured's beneficiary,  
21 as the case may be;

22               “(2) identify the policy and the insurer; and

23               “(3) include an acknowledgement that the in-  
24 sured's rights under the policy are subject to and  
25 modified by the provisions of this title.

1       “(b) ADDITIONAL REQUIREMENTS.—The Secretary  
2 of Veterans Affairs may require additional information  
3 from the applicant, the insured and the insurer to deter-  
4 mine if the policy is entitled to protection under this title.

5       “(c) NOTICE TO THE SECRETARY BY THE IN-  
6 SURED.—Upon receipt of the application of the insured,  
7 the insurer shall furnish a report concerning the policy  
8 to the Secretary of Veterans Affairs as required by regula-  
9 tions prescribed by the Secretary.

10       “(d) POLICY MODIFICATION.—Upon application for  
11 protection under this title, the insured and the insurer  
12 shall have constructively agreed to any policy modification  
13 necessary to give this title full force and effect.

14       **“SEC. 404. POLICIES ENTITLED TO PROTECTION AND**  
15                           **LAPSE OF POLICIES.**

16       “(a) DETERMINATION.—The Secretary of Veterans  
17 Affairs shall determine whether a policy is entitled to pro-  
18 tection under this title and shall notify the insured and  
19 the insurer of that determination.

20       “(b) LAPSE PROTECTION.—A policy that the Sec-  
21 retary determines is entitled to protection under this title  
22 shall not lapse or otherwise terminate or be forfeited for  
23 the nonpayment of a premium, or interest or indebtedness  
24 on a premium, after the date of the application for protec-  
25 tion.

1       “(c) TIME APPLICATION.—The protection provided  
2 by this title applies during the insured’s period of military  
3 service and for a period of two years thereafter.

4       **“SEC. 405. POLICY RESTRICTIONS.**

5       “(a) DIVIDENDS.—While a policy is protected under  
6 this title, a dividend or other monetary benefit under a  
7 policy may not be paid to an insured or used to purchase  
8 dividend additions without the approval of the Secretary  
9 of Veterans Affairs. If such approval is not obtained, the  
10 dividends or benefits shall be added to the value of the  
11 policy to be used as a credit when final settlement is made  
12 with the insurer.

13       “(b) SPECIFIC RESTRICTIONS.—While a policy is  
14 protected under this title, cash value, loan value, with-  
15 drawal of dividend accumulation, unearned premiums, or  
16 other value of similar character may not be available to  
17 the insured without the approval of the Secretary. The  
18 right of the insured to change a beneficiary designation  
19 or select an optional settlement for a beneficiary shall not  
20 be affected by the provisions of this title.

21       **“SEC. 406. DEDUCTION OF UNPAID PREMIUMS.**

22       “(a) SETTLEMENT OF PROCEEDS.—If a policy ma-  
23 tures as a result of a servicemember’s death or otherwise  
24 during the period of protection of the policy under this  
25 title, the insurer in making settlement shall deduct from

1 the insurance proceeds the amount of the unpaid pre-  
2 miums guaranteed under this title, together with interest  
3 due at the rate fixed in the policy for policy loans.

4 “(b) INTEREST RATE.—If the interest rate is not  
5 specifically fixed in the policy, the rate shall be the same  
6 as for policy loans in other policies issued by the insurer  
7 at the time the insured’s policy was issued.

8 “(c) REPORTING REQUIREMENT.—The amount de-  
9 ducted under this section, if any, shall be reported by the  
10 insurer to the Secretary of Veterans Affairs.

11 **“SEC. 407. PREMIUMS AND INTEREST GUARANTEED BY**  
12 **UNITED STATES.**

13 “(a) GUARANTEE OF PREMIUMS AND INTEREST BY  
14 THE UNITED STATES.—

15 “(1) GUARANTEE.—Payment of premiums, and  
16 interest on premiums at the rate specified in section  
17 406, which become due on a policy under the protec-  
18 tion of this title is guaranteed by the United States.  
19 If the amount guaranteed is not paid to the insurer  
20 before the period of insurance protection under this  
21 title expires, the amount due shall be treated by the  
22 insurer as a policy loan on the policy.

23 “(2) POLICY TERMINATION.—If, at the expira-  
24 tion of insurance protection under this title, the cash  
25 surrender value of a policy is less than the amount

1 due to pay premiums and interest on premiums on  
2 the policy, the policy shall terminate. Upon such ter-  
3 mination, the United States shall pay the insurer the  
4 difference between the amount due and the cash sur-  
5 render value.

6 “(b) RECOVERY FROM INSURED OF AMOUNTS PAID  
7 BY THE UNITED STATES.—

8 “(1) DEBT PAYABLE TO THE UNITED  
9 STATES.—The amount paid by the United States to  
10 an insurer under this title shall be a debt payable  
11 to the United States by the insured on whose policy  
12 payment was made.

13 “(2) COLLECTION.—Such amount may be col-  
14 lected by the United States, either as an offset from  
15 any amount due the insured by the United States or  
16 as otherwise authorized by law.

17 “(3) DEBT NOT DISCHARGEABLE IN BANK-  
18 RUPTCY.—Such debt payable to the United States is  
19 not dischargeable in bankruptcy proceedings.

20 “(c) CREDITING OF AMOUNTS RECOVERED.—Any  
21 amounts received by the United States as repayment of  
22 debts incurred by an insured under this title shall be cred-  
23 ited to the appropriation for the payment of claims under  
24 this title.



1 **“SEC. 408. REGULATIONS.**

2 “The Secretary of Veterans Affairs shall prescribe  
3 regulations for the implementation of this title.

4 **“SEC. 409. REVIEW OF FINDINGS OF FACT AND CONCLU-**  
5 **SIONS OF LAW.**

6 “The findings of fact and conclusions of law made  
7 by the Secretary of Veterans Affairs in administering this  
8 title may be reviewed by the Board of Veterans’ Appeals  
9 and the United States Court of Appeals for Veterans  
10 Claims.

11 **“TITLE V—TAXES AND PUBLIC**  
12 **LANDS**

13 **“SEC. 501. TAXES RESPECTING PERSONAL PROPERTY,**  
14 **MONEY, CREDITS, AND REAL PROPERTY.**

15 “(a) APPLICATION.—This section applies in any case  
16 in which a tax or assessment, whether general or special  
17 (other than a tax on personal income), falls due and re-  
18 mains unpaid before or during a period of military service  
19 with respect to a servicemember’s—

20 “(1) personal property; or

21 “(2) real property occupied for dwelling, profes-  
22 sional, business, or agricultural purposes by a  
23 servicemember or the servicemember’s dependents or  
24 employees—

25 “(A) before the servicemember’s entry into  
26 military service; and

1           “(B) during the time the tax or assessment  
2           remains unpaid.

3           “(b) SALE OF PROPERTY.—

4           “(1) LIMITATION ON SALE OF PROPERTY TO  
5           ENFORCE TAX ASSESSMENT.—Property described in  
6           subsection (a) may not be sold to enforce the collec-  
7           tion of such tax or assessment except by court order  
8           and upon the determination by the court that mili-  
9           tary service does not materially affect the  
10          servicemember’s ability to pay the unpaid tax or as-  
11          sessment.

12          “(2) STAY OF COURT PROCEEDINGS.—A court  
13          may stay a proceeding to enforce the collection of  
14          such tax or assessment, or sale of such property,  
15          during a period of military service of the  
16          servicemember and for a period not more than 180  
17          days after the termination of, or release of the  
18          servicemember from, military service.

19          “(c) REDEMPTION.—When property described in sub-  
20          section (a) is sold or forfeited to enforce the collection of  
21          a tax or assessment, a servicemember shall have the right  
22          to redeem or commence an action to redeem the  
23          servicemember’s property during the period of military  
24          service or within 180 days after termination of or release  
25          from military service. This subsection may not be con-

1 strued to shorten any period provided by the law of a State  
2 (including any political subdivision of a State) for redemp-  
3 tion.

4 “(d) INTEREST ON TAX OR ASSESSMENT.—Whenever  
5 a servicemember does not pay a tax or assessment on  
6 property described in subsection (a) when due, the amount  
7 of the tax or assessment due and unpaid shall bear inter-  
8 est until paid at the rate of 6 percent per year. An addi-  
9 tional penalty or interest shall not be incurred by reason  
10 of nonpayment. A lien for such unpaid tax or assessment  
11 may include interest under this subsection.

12 “(e) JOINT OWNERSHIP APPLICATION.—This section  
13 applies to all forms of property described in subsection (a)  
14 owned individually by a servicemember or jointly by a  
15 servicemember and a dependent or dependents.

16 **“SEC. 502. RIGHTS IN PUBLIC LANDS.**

17 “(a) RIGHTS NOT FORFEITED.—The rights of a  
18 servicemember to lands owned or controlled by the United  
19 States, and initiated or acquired by the servicemember  
20 under the laws of the United States (including the mining  
21 and mineral leasing laws) before military service, shall not  
22 be forfeited or prejudiced as a result of being absent from  
23 the land, or by failing to begin or complete any work or  
24 improvements to the land, during the period of military  
25 service.

1       “(b) TEMPORARY SUSPENSION OF PERMITS OR LI-  
2 CENSES.—If a permittee or licensee under the Act of June  
3 28, 1934 (43 U.S.C. 315 et seq.), enters military service,  
4 the permittee or licensee may suspend the permit or li-  
5 cense for the period of military service and for 180 days  
6 after termination of or release from military service.

7       “(c) REGULATIONS.—Regulations prescribed by the  
8 Secretary of the Interior shall provide for such suspension  
9 of permits and licenses and for the remission, reduction,  
10 or refund of grazing fees during the period of such suspen-  
11 sion.

12 **“SEC. 503. DESERT-LAND ENTRIES.**

13       “(a) DESERT-LAND RIGHTS NOT FORFEITED.—A  
14 desert-land entry made or held under the desert-land laws  
15 before the entrance of the entryman or the entryman’s  
16 successor in interest into military service shall not be sub-  
17 ject to contest or cancellation—

18               “(1) for failure to expend any required amount  
19 per acre per year in improvements upon the claim;

20               “(2) for failure to effect the reclamation of the  
21 claim during the period the entryman or the  
22 entryman’s successor in interest is in the military  
23 service, or for 180 days after termination of or re-  
24 lease from military service; or

1           “(3) during any period of hospitalization or re-  
2           habilitation due to an injury or disability incurred in  
3           the line of duty.

4 The time within which the entryman or claimant is re-  
5 quired to make such expenditures and effect reclamation  
6 of the land shall be exclusive of the time periods described  
7 in paragraphs (2) and (3).

8           “(b) SERVICE-RELATED DISABILITY.—If an  
9 entryman or claimant is honorably discharged and is un-  
10 able to accomplish reclamation of, and payment for, desert  
11 land due to a disability incurred in the line of duty, the  
12 entryman or claimant may make proof without further  
13 reclamation or payments, under regulations prescribed by  
14 the Secretary of the Interior, and receive a patent for the  
15 land entered or claimed.

16           “(c) FILING REQUIREMENT.—In order to obtain the  
17 protection of this section, the entryman or claimant shall,  
18 within 180 days after entry into military service, cause  
19 to be filed in the land office of the district where the claim  
20 is situated a notice communicating the fact of military  
21 service and the desire to hold the claim under this section.

22 **“SEC. 504. MINING CLAIMS.**

23           “(a) REQUIREMENTS SUSPENDED.—The provisions  
24 of section 2324 of the Revised Statutes of the United  
25 States (30 U.S.C. 28) specified in subsection (b) shall not

1 apply to a servicemember's claims or interests in claims,  
2 regularly located and recorded, during a period of military  
3 service and 180 days thereafter, or during any period of  
4 hospitalization or rehabilitation due to injuries or disabil-  
5 ities incurred in the line of duty.

6       “(b) REQUIREMENTS.—The provisions in section  
7 2324 of the Revised Statutes that shall not apply under  
8 subsection (a) are those which require that on each mining  
9 claim located after May 10, 1872, and until a patent has  
10 been issued for such claim, not less than \$100 worth of  
11 labor shall be performed or improvements made during  
12 each year.

13       “(c) PERIOD OF PROTECTION FROM FORFEITURE.—  
14 A mining claim or an interest in a claim owned by a  
15 servicemember that has been regularly located and re-  
16 corded shall not be subject to forfeiture for nonperform-  
17 ance of annual assessments during the period of military  
18 service and for 180 days thereafter, or for any period of  
19 hospitalization or rehabilitation described in subsection  
20 (a).

21       “(d) FILING REQUIREMENT.—In order to obtain the  
22 protections of this section, the claimant of a mining loca-  
23 tion shall, before the end of the assessment year in which  
24 military service is begun or within 60 days after the end  
25 of such assessment year, cause to be filed in the office

1 where the location notice or certificate is recorded a notice  
2 communicating the fact of military service and the desire  
3 to hold the mining claim under this section.

4 **“SEC. 505. MINERAL PERMITS AND LEASES.**

5       “(a) SUSPENSION DURING MILITARY SERVICE.—A  
6 person holding a permit or lease on the public domain  
7 under the Federal mineral leasing laws who enters mili-  
8 tary service may suspend all operations under the permit  
9 or lease for the duration of military service and for 180  
10 days thereafter. The term of the permit or lease shall not  
11 run during the period of suspension, nor shall any rental  
12 or royalties be charged against the permit or lease during  
13 the period of suspension.

14       “(b) NOTIFICATION.—In order to obtain the protec-  
15 tion of this section, the permittee or lessee shall, within  
16 180 days after entry into military service, notify the Sec-  
17 retary of the Interior by registered mail of the fact that  
18 military service has begun and of the desire to hold the  
19 claim under this section.

20       “(c) CONTRACT MODIFICATION.—This section shall  
21 not be construed to supersede the terms of any contract  
22 for operation of a permit or lease.

23 **“SEC. 506. PERFECTION OR DEFENSE OF RIGHTS.**

24       “(a) RIGHT TO TAKE ACTION NOT AFFECTED.—  
25 This title shall not affect the right of a servicemember to

1 take action during a period of military service that is au-  
2 thorized by law or regulations of the Department of the  
3 Interior, for the perfection, defense, or further assertion  
4 of rights initiated or acquired before entering military  
5 service.

6 “(b) AFFIDAVITS AND PROOFS.—

7 “(1) IN GENERAL.—A servicemember during a  
8 period of military service may make any affidavit or  
9 submit any proof required by law, practice, or regu-  
10 lation of the Department of the Interior in connec-  
11 tion with the entry, perfection, defense, or further  
12 assertion of rights initiated or acquired before enter-  
13 ing military service before an officer authorized to  
14 provide notary services under section 1044a of title  
15 10, United States Code, or any superior commis-  
16 sioned officer.

17 “(2) LEGAL STATUS OF AFFIDAVITS.—Such af-  
18 fidavits shall be binding in law and subject to the  
19 same penalties as prescribed by section 1001 of title  
20 18, United State Code.

21 **“SEC. 507. DISTRIBUTION OF INFORMATION CONCERNING**  
22 **BENEFITS OF TITLE.**

23 “(a) DISTRIBUTION OF INFORMATION BY SEC-  
24 RETARY CONCERNED.—The Secretary concerned shall



1 issue to servicemembers information explaining the provi-  
2 sions of this title.

3 “(b) APPLICATION FORMS.—The Secretary con-  
4 cerned shall provide application forms to servicemembers  
5 requesting relief under this title.

6 “(c) INFORMATION FROM SECRETARY OF THE INTE-  
7 RIOR.—The Secretary of the Interior shall furnish to the  
8 Secretary concerned information explaining the provisions  
9 of this title (other than sections 501, 510, and 511) and  
10 related application forms.

11 **“SEC. 508. LAND RIGHTS OF SERVICEMEMBERS.**

12 “(a) NO AGE LIMITATIONS.—Any servicemember  
13 under the age of 21 in military service shall be entitled  
14 to the same rights under the laws relating to lands owned  
15 or controlled by the United States, including mining and  
16 mineral leasing laws, as those servicemembers who are 21  
17 years of age.

18 “(b) RESIDENCY REQUIREMENT.—Any requirement  
19 related to the establishment of a residence within a limited  
20 time shall be suspended as to entry by a servicemember  
21 in military service until 180 days after termination of or  
22 release from military service.

23 “(c) ENTRY APPLICATIONS.—Applications for entry  
24 may be verified before a person authorized to administer

1 oaths under section 1044a of title 10, United States Code,  
2 or under the laws of the State where the land is situated.

3 **“SEC. 509. REGULATIONS.**

4 “The Secretary of the Interior may issue regulations  
5 necessary to carry out this title (other than sections 501,  
6 510, and 511).

7 **“SEC. 510. INCOME TAXES.**

8 “(a) DEFERRAL OF TAX.—Upon notice to the Inter-  
9 nal Revenue Service or the tax authority of a State or  
10 a political subdivision of a State, the collection of income  
11 tax on the income of a servicemember falling due before  
12 or during military service shall be deferred for a period  
13 not more than 180 days after termination of or release  
14 from military service, if a servicemember’s ability to pay  
15 such income tax is materially affected by military service.

16 “(b) ACCRUAL OF INTEREST OR PENALTY.—No in-  
17 terest or penalty shall accrue for the period of deferment  
18 by reason of nonpayment on any amount of tax deferred  
19 under this section.

20 “(c) STATUTE OF LIMITATIONS.—The running of a  
21 statute of limitations against the collection of tax deferred  
22 under this section, by seizure or otherwise, shall be sus-  
23 pended for the period of military service of the  
24 servicemember and for an additional period of 270 days  
25 thereafter.

1       “(d) APPLICATION LIMITATION.—This section shall  
2 not apply to the tax imposed on employees by section 3101  
3 of the Internal Revenue Code of 1986.

4       **“SEC. 511. RESIDENCE FOR TAX PURPOSES.**

5       “(a) RESIDENCE OR DOMICILE.—A servicemember  
6 shall neither lose nor acquire a residence or domicile for  
7 purposes of taxation with respect to the person, personal  
8 property, or income of the servicemember by reason of  
9 being absent or present in any tax jurisdiction of the  
10 United States solely in compliance with military orders.

11       “(b) MILITARY SERVICE COMPENSATION.—Com-  
12 pensation of a servicemember for military service shall not  
13 be deemed to be income for services performed or from  
14 sources within a tax jurisdiction of the United States if  
15 the servicemember is not a resident or domiciliary of the  
16 jurisdiction in which the servicemember is serving in com-  
17 pliance with military orders.

18       “(c) PERSONAL PROPERTY.—

19               “(1) RELIEF FROM PERSONAL PROPERTY  
20 TAXES.—The personal property of a servicemember  
21 shall not be deemed to be located or present in, or  
22 to have a situs for taxation in, the tax jurisdiction  
23 in which the servicemember is serving in compliance  
24 with military orders.

1           “(2) EXCEPTION FOR PROPERTY WITHIN MEM-  
2           BER’S DOMICILE OR RESIDENCE.—This subsection  
3           applies to personal property or its use within any tax  
4           jurisdiction other than the servicemember’s domicile  
5           or residence.

6           “(3) EXCEPTION FOR PROPERTY USED IN  
7           TRADE OR BUSINESS.—This section does not prevent  
8           taxation by a tax jurisdiction with respect to per-  
9           sonal property used in or arising from a trade or  
10          business, if it has jurisdiction.

11          “(4) RELATIONSHIP TO LAW OF STATE OF  
12          DOMICILE.—Eligibility for relief from personal prop-  
13          erty taxes under this subsection is not contingent on  
14          whether or not such taxes are paid to the State of  
15          domicile.

16          “(d) INCREASE OF TAX LIABILITY.—A tax jurisdic-  
17          tion may not use the military compensation of a non-  
18          resident servicemember to increase the tax liability im-  
19          posed on other income earned by the nonresident  
20          servicemember or spouse subject to tax by the jurisdiction.

21          “(e) FEDERAL INDIAN RESERVATIONS.—An Indian  
22          servicemember whose legal residence or domicile is a Fed-  
23          eral Indian reservation shall be taxed by the laws applica-  
24          ble to Federal Indian reservations and not the State where  
25          the reservation is located.

1 “(f) DEFINITIONS.—For purposes of this section:

2 “(1) PERSONAL PROPERTY.—The term ‘per-  
3 sonal property’ means intangible and tangible prop-  
4 erty (including motor vehicles).

5 “(2) TAXATION.—The term ‘taxation’ includes  
6 licenses, fees, or excises imposed with respect to  
7 motor vehicles and their use, if the license, fee, or  
8 excise is paid by the servicemember in the  
9 servicemember’s State of domicile or residence.

10 “(3) TAX JURISDICTION.—The term ‘tax juris-  
11 diction’ means a State or a political subdivision of  
12 a State.

13 **“TITLE VI—ADMINISTRATIVE**  
14 **REMEDIES**

15 **“SEC. 601. INAPPROPRIATE USE OF ACT.**

16 “If a court determines, in any proceeding to enforce  
17 a civil right, that any interest, property, or contract has  
18 been transferred or acquired with the intent to delay the  
19 just enforcement of such right by taking advantage of this  
20 Act, the court shall enter such judgment or make such  
21 order as might lawfully be entered or made concerning  
22 such transfer or acquisition.

1 **“SEC. 602. CERTIFICATES OF SERVICE; PERSONS RE-**  
2 **PORTED MISSING.**

3 “(a) PRIMA FACIE EVIDENCE.—In any proceeding  
4 under this Act, a certificate signed by the Secretary con-  
5 cerned is prima facie evidence as to any of the following  
6 facts stated in the certificate:

7 “(1) That a person named is, is not, has been,  
8 or has not been in military service.

9 “(2) The time and the place the person entered  
10 military service.

11 “(3) The person’s residence at the time the per-  
12 son entered military service.

13 “(4) The rank, branch, and unit of military  
14 service of the person upon entry.

15 “(5) The inclusive dates of the person’s military  
16 service.

17 “(6) The monthly pay received by the person at  
18 the date of the certificate’s issuance.

19 “(7) The time and place of the person’s termi-  
20 nation of or release from military service, or the per-  
21 son’s death during military service.

22 “(b) CERTIFICATES.—The Secretary concerned shall  
23 furnish a certificate under subsection (a) upon receipt of  
24 an application for such a certificate. A certificate appear-  
25 ing to be signed by the Secretary concerned is prima facie

1 evidence of its contents and of the signer's authority to  
2 issue it.

3       “(c) TREATMENT OF SERVICEMEMBERS IN MISSING  
4 STATUS.—A servicemember who has been reported miss-  
5 ing is presumed to continue in service until accounted for.  
6 A requirement under this Act that begins or ends with  
7 the death of a servicemember does not begin or end until  
8 the servicemember's death is reported to, or determined  
9 by, the Secretary concerned or by a court of competent  
10 jurisdiction.

11 **“SEC. 603. INTERLOCUTORY ORDERS.**

12       “An interlocutory order issued by a court under this  
13 Act may be revoked, modified, or extended by that court  
14 upon its own motion or otherwise, upon notification to af-  
15 fected parties as required by the court.

16 **“TITLE VII—FURTHER RELIEF**

17 **“SEC. 701. ANTICIPATORY RELIEF.**

18       “(a) APPLICATION FOR RELIEF.—A servicemember  
19 may, during military service or within 180 days of termi-  
20 nation of or release from military service, apply to a court  
21 for relief—

22               “(1) from any obligation or liability incurred by  
23       the servicemember before the servicemember's mili-  
24       tary service; or

1           “(2) from a tax or assessment falling due be-  
2 fore or during the servicemember’s military service.

3           “(b) TAX LIABILITY OR ASSESSMENT.—In a case  
4 covered by subsection (a), the court may, if the ability of  
5 the servicemember to comply with the terms of such obli-  
6 gation or liability or pay such tax or assessment has been  
7 materially affected by reason of military service, after ap-  
8 propriate notice and hearing, grant the following relief:

9           “(1) STAY OF ENFORCEMENT OF REAL ESTATE  
10 CONTRACTS.—

11           “(A) In the case of an obligation payable  
12 in installments under a contract for the pur-  
13 chase of real estate, or secured by a mortgage  
14 or other instrument in the nature of a mortgage  
15 upon real estate, the court may grant a stay of  
16 the enforcement of the obligation—

17           “(i) during the servicemember’s period  
18 of military service; and

19           “(ii) from the date of termination of  
20 or release from military service, or from  
21 the date of application if made after termi-  
22 nation of or release from military service.

23           “(B) Any stay under this paragraph shall  
24 be—



1           “(i) for a period equal to the remain-  
2           ing life of the installment contract or other  
3           instrument, plus a period of time equal to  
4           the period of military service of the  
5           servicemember, or any part of such com-  
6           bined period; and

7           “(ii) subject to payment of the  
8           balance of the principal and accumulated  
9           interest due and unpaid at the date of ter-  
10          mination or release from the applicant’s  
11          military service or from the date of appli-  
12          cation in equal installments during the  
13          combined period at the rate of interest on  
14          the unpaid balance prescribed in the con-  
15          tract or other instrument evidencing the  
16          obligation, and subject to other terms as  
17          may be equitable.

18           “(2) STAY OF ENFORCEMENT OF OTHER CON-  
19          TRACTS.—

20           “(A) In the case of any other obligation, li-  
21          ability, tax, or assessment, the court may grant  
22          a stay of enforcement—

23           “(i) during the servicemember’s mili-  
24          tary service; and

1           “(ii) from the date of termination of  
2           or release from military service, or from  
3           the date of application if made after termi-  
4           nation or release from military service.

5           “(B) Any stay under this paragraph shall  
6           be—

7                   “(i) for a period of time equal to the  
8                   period of the servicemember’s military  
9                   service or any part of such period; and

10                   “(ii) subject to payment of the  
11                   balance of principal and accumulated inter-  
12                   est due and unpaid at the date of termi-  
13                   nation or release from military service, or  
14                   the date of application, in equal periodic  
15                   installments during this extended period at  
16                   the rate of interest as may be prescribed  
17                   for this obligation, liability, tax, or assess-  
18                   ment, if paid when due, and subject to  
19                   other terms as may be equitable.

20           “(c) AFFECT OF STAY ON FINE OR PENALTY.—  
21           When a court grants a stay under this section, a fine or  
22           penalty shall not accrue on the obligation, liability, tax,  
23           or assessment for the period of compliance with the terms  
24           and conditions of the stay.

1 **“SEC. 702. POWER OF ATTORNEY.**

2 “(a) **AUTOMATIC EXTENSION.**—A power of attorney  
3 of a servicemember shall be automatically extended for the  
4 period the servicemember is in a missing status (as de-  
5 fined in section 551(2) of title 37, United States Code)  
6 if the power of attorney—

7 “(1) was duly executed by the servicemember—

8 “(A) while in military service; or

9 “(B) before entry into military service but  
10 after the servicemember—

11 “(i) received a call or order to report  
12 for military service; or

13 “(ii) was notified by an official of the  
14 Department of Defense that the person  
15 could receive a call or order to report for  
16 military service;

17 “(2) designates the servicemember’s spouse,  
18 parent, or other named relative as the  
19 servicemember’s attorney in fact for certain, speci-  
20 fied, or all purposes; and

21 “(3) expires by its terms after the  
22 servicemember entered a missing status.

23 “(b) **LIMITATION ON POWER OF ATTORNEY EXTEN-**  
24 **SION.**—A power of attorney executed by a servicemember  
25 may not be extended under subsection (a) if the document  
26 by its terms clearly indicates that the power granted ex-

1 pires on the date specified even though the servicemember,  
2 after the date of execution of the document, enters a miss-  
3 ing status.

4 **“SEC. 703. PROFESSIONAL LIABILITY PROTECTION.**

5 “(a) **APPLICABILITY.**—This section applies to a  
6 servicemember who—

7 “(1) after July 31, 1990, is ordered to active  
8 duty (other than for training) pursuant to sections  
9 688, 12301(a), 12301(g), 12302, 12304, 12306, or  
10 12307 of title 10, United States Code, or who is or-  
11 dered to active duty under section 12301(d) of such  
12 title during a period when members are on active  
13 duty pursuant to any of the preceding sections; and

14 “(2) immediately before receiving the order to  
15 active duty—

16 “(A) was engaged in the furnishing of  
17 health-care or legal services or other services  
18 determined by the Secretary of Defense to be  
19 professional services; and

20 “(B) had in effect a professional liability  
21 insurance policy that does not continue to cover  
22 claims filed with respect to the servicemember  
23 during the period of the servicemember’s active  
24 duty unless the premiums are paid for such cov-  
25 erage for such period.

1 “(b) SUSPENSION OF COVERAGE.—

2 “(1) SUSPENSION.—Coverage of a  
3 servicemember referred to in subsection (a) by a  
4 professional liability insurance policy shall be sus-  
5 pended by the insurance carrier in accordance with  
6 this subsection upon receipt of a written request  
7 from the servicemember, or the servicemember’s  
8 legal representative, by the insurance carrier.

9 “(2) PREMIUMS FOR SUSPENDED CON-  
10 TRACTS.—A professional liability insurance carrier—

11 “(A) may not require that premiums be  
12 paid by or on behalf of a servicemember for any  
13 professional liability insurance coverage sus-  
14 pended pursuant to paragraph (1); and

15 “(B) shall refund any amount paid for cov-  
16 erage for the period of such suspension or, upon  
17 the election of such servicemember, apply such  
18 amount for the payment of any premium be-  
19 coming due upon the reinstatement of such cov-  
20 erage.

21 “(3) NONLIABILITY OF CARRIER DURING SUS-  
22 PENSION.—A professional liability insurance carrier  
23 shall not be liable with respect to any claim that is  
24 based on professional conduct (including any failure  
25 to take any action in a professional capacity) of a

1       servicemember that occurs during a period of sus-  
2       pension of that servicemember’s professional liability  
3       insurance under this subsection.

4               “(4) CERTAIN CLAIMS CONSIDERED TO ARISE  
5       BEFORE SUSPENSION.—For the purposes of para-  
6       graph (3), a claim based upon the failure of a pro-  
7       fessional to make adequate provision for a patient,  
8       client, or other person to receive professional serv-  
9       ices or other assistance during the period of the pro-  
10      fessional’s active duty service shall be considered to  
11      be based on an action or failure to take action before  
12      the beginning of the period of the suspension of pro-  
13      fessional liability insurance under this subsection,  
14      except in a case in which professional services were  
15      provided after the date of the beginning of such pe-  
16      riod.

17              “(c) REINSTATEMENT OF COVERAGE.—

18               “(1) REINSTATEMENT REQUIRED.—Profes-  
19      sional liability insurance coverage suspended in the  
20      case of any servicemember pursuant to subsection  
21      (b) shall be reinstated by the insurance carrier on  
22      the date on which that servicemember transmits to  
23      the insurance carrier a written request for reinstate-  
24      ment.

1           “(2) TIME AND PREMIUM FOR REINSTATE-  
2           MENT.—The request of a servicemember for rein-  
3           statement shall be effective only if the  
4           servicemember transmits the request to the insur-  
5           ance carrier within 30 days after the date on which  
6           the servicemember is released from active duty. The  
7           insurance carrier shall notify the servicemember of  
8           the due date for payment of the premium of such in-  
9           surance. Such premium shall be paid by the  
10          servicemember within 30 days after receipt of that  
11          notice.

12          “(3) PERIOD OF REINSTATED COVERAGE.—The  
13          period for which professional liability insurance cov-  
14          erage shall be reinstated for a servicemember under  
15          this subsection may not be less than the balance of  
16          the period for which coverage would have continued  
17          under the insurance policy if the coverage had not  
18          been suspended.

19          “(d) INCREASE IN PREMIUM.—

20          “(1) LIMITATION ON PREMIUM INCREASES.—  
21          An insurance carrier may not increase the amount  
22          of the premium charged for professional liability in-  
23          surance coverage of any servicemember for the min-  
24          imum period of the reinstatement of such coverage  
25          required under subsection (c)(3) to an amount

1 greater than the amount chargeable for such cov-  
2 erage for such period before the suspension.

3 “(2) EXCEPTION.—Paragraph (1) does not pre-  
4 vent an increase in premium to the extent of any  
5 general increase in the premiums charged by that  
6 carrier for the same professional liability coverage  
7 for persons similarly covered by such insurance dur-  
8 ing the period of the suspension.

9 “(e) CONTINUATION OF COVERAGE OF UNAFFECTED  
10 PERSONS.—This section does not—

11 “(1) require a suspension of professional liabil-  
12 ity insurance protection for any person who is not a  
13 person referred to in subsection (a) and who is cov-  
14 ered by the same professional liability insurance as  
15 a person referred to in such subsection; or

16 “(2) relieve any person of the obligation to pay  
17 premiums for the coverage not required to be sus-  
18 pended.

19 “(f) STAY OF CIVIL OR ADMINISTRATIVE ACTIONS.—

20 “(1) STAY OF ACTIONS.—A civil or administra-  
21 tive action for damages on the basis of the alleged  
22 professional negligence or other professional liability  
23 of a servicemember whose professional liability in-  
24 surance coverage has been suspended under sub-



1 section (b) shall be stayed until the end of the period  
2 of the suspension if—

3 “(A) the action was commenced during the  
4 period of the suspension;

5 “(B) the action is based on an act or omis-  
6 sion that occurred before the date on which the  
7 suspension became effective; and

8 “(C) the suspended professional liability  
9 insurance would, except for the suspension, on  
10 its face cover the alleged professional negligence  
11 or other professional liability negligence or  
12 other professional liability of the  
13 servicemember.

14 “(2) DATE OF COMMENCEMENT OF ACTION.—  
15 Whenever a civil or administrative action for dam-  
16 ages is stayed under paragraph (1) in the case of  
17 any servicemember, the action shall have been  
18 deemed to have been filed on the date on which the  
19 professional liability insurance coverage of the  
20 servicemember is reinstated under subsection (c).

21 “(g) EFFECT OF SUSPENSION UPON LIMITATIONS  
22 PERIOD.—In the case of a civil or administrative action  
23 for which a stay could have been granted under subsection  
24 (f) by reason of the suspension of professional liability in-  
25 surance coverage of the defendant under this section, the

1 period of the suspension of the coverage shall be excluded  
2 from the computation of any statutory period of limitation  
3 on the commencement of such action.

4 “(h) DEATH DURING PERIOD OF SUSPENSION.—If  
5 a servicemember whose professional liability insurance  
6 coverage is suspended under subsection (b) dies during the  
7 period of the suspension—

8 “(1) the requirement for the grant or continu-  
9 ance of a stay in any civil or administrative action  
10 against such servicemember under subsection (f)(1)  
11 shall terminate on the date of the death of such  
12 servicemember; and

13 “(2) the carrier of the professional liability in-  
14 surance so suspended shall be liable for any claim  
15 for damages for professional negligence or other pro-  
16 fessional liability of the deceased servicemember in  
17 the same manner and to the same extent as such  
18 carrier would be liable if the servicemember had died  
19 while covered by such insurance but before the claim  
20 was filed.

21 “(i) DEFINITIONS.—For purposes of this section:

22 “(1) The term ‘active duty’ has the meaning  
23 given that term in section 101(d)(1) of title 10,  
24 United States Code.

25 “(2) The term ‘profession’ includes occupation.

1           “(3) The term ‘professional’ includes occupa-  
2           tional.

3   **“SEC. 704. HEALTH INSURANCE REINSTATEMENT.**

4           “(a) REINSTATEMENT OF HEALTH INSURANCE.—A  
5   servicemember who, by reason of military service as de-  
6   fined in section 703(a)(1), is entitled to the rights and  
7   protections of this Act shall also be entitled upon termi-  
8   nation or release from such service to reinstatement of any  
9   health insurance that—

10           “(1) was in effect on the day before such serv-  
11   ice commenced; and

12           “(2) was terminated effective on a date during  
13   the period of such service.

14           “(b) NO EXCLUSION OR WAITING PERIOD.—The re-  
15   instatement of health care insurance coverage for the  
16   health or physical condition of a servicemember described  
17   in subsection (a), or any other person who is covered by  
18   the insurance by reason of the coverage of the  
19   servicemember, shall not be subject to an exclusion or a  
20   waiting period, if—

21           “(1) the condition arose before or during the  
22   period of such service;

23           “(2) an exclusion or a waiting period would not  
24   have been imposed for the condition during the pe-  
25   riod of coverage; and

1           “(3) if the condition relates to the  
2           servicemember, the condition has not been deter-  
3           mined by the Secretary of Veterans Affairs to be a  
4           disability incurred or aggravated in the line of duty  
5           (within the meaning of section 105 of title 38,  
6           United States Code).

7           “(c) EXCEPTIONS.—Subsection (a) does not apply to  
8           a servicemember entitled to participate in employer-of-  
9           fered insurance benefits pursuant to the provisions of  
10          chapter 43 of title 38, United States Code.

11          “(d) TIME FOR APPLYING FOR REINSTATEMENT.—  
12          An application under this section must be filed not later  
13          than 120 days after the date of the termination of or re-  
14          lease from military service.

15          **“SEC. 705. GUARANTEE OF RESIDENCY FOR MILITARY PER-**  
16   **SONNEL.**

17          “For the purposes of voting for any Federal office  
18          (as defined in section 301 of the Federal Election Cam-  
19          paign Act of 1971 (2 U.S.C. 431)) or a State or local  
20          office, a person who is absent from a State in compliance  
21          with military or naval orders shall not, solely by reason  
22          of that absence—

23                   “(1) be deemed to have lost a residence or  
24                   domicile in that State, without regard to whether or  
25                   not the person intends to return to that State;

1           “(2) be deemed to have acquired a residence or  
2           domicile in any other State; or

3           “(3) be deemed to have become a resident in or  
4           a resident of any other State.”.

5 **SEC. 2. CONFORMING AMENDMENTS.**

6           (a) **MILITARY SELECTIVE SERVICE ACT.**—Section 14  
7 of the Military Selective Service Act (50 U.S.C. App. 464)  
8 is repealed.

9           (b) **TITLE 5, UNITED STATES CODE.**—

10           (1) Section 5520a(k)(2)(A) of title 5, United  
11 States Code, is amended by striking “Soldiers’ and  
12 Sailors’ Civil Relief Act of 1940” and inserting  
13 “Servicemembers Civil Relief Act”; and

14           (2) Section 5569(e) of title 5, United States  
15 Code, is amended—

16           (A) in paragraph (1), by striking “provided  
17 by the Soldiers’ and Sailors’ Civil Relief Act of  
18 1940” and all that follows through “of such  
19 Act” and inserting “provided by the  
20 Servicemembers Civil Relief Act, including the  
21 benefits provided by section 702 of such Act  
22 but excluding the benefits provided by sections  
23 104, 105, and 106, title IV, and title V (other  
24 than sections 501 and 510) of such Act”; and

1                   (B) in paragraph (2)(A), by striking “per-  
2                   son in the military service” and inserting  
3                   “servicemember”.

4           (c) TITLE 10, UNITED STATES CODE.—Section  
5 1408(b)(1)(D) of title 10, United States Code, is amended  
6 by striking “Soldiers’ and Sailors’ Civil Relief Act of  
7 1940” and inserting “Servicemembers Civil Relief Act”.

8           (d) INTERNAL REVENUE CODE.—Section 7654(d)(1)  
9 of the Internal Revenue Code of 1986 is amended by strik-  
10 ing “Soldiers’ and Sailors’ Civil Relief Act” and inserting  
11 “Servicemembers Civil Relief Act”.

12           (e) PUBLIC HEALTH SERVICE ACT.—Section 212(e)  
13 of the Public Health Service Act (42 U.S.C. 213(e)) is  
14 amended by striking “Soldiers’ and Sailors’ Civil Relief  
15 Act of 1940” and inserting “Servicemembers Civil Relief  
16 Act”.

17           (f) ELEMENTARY AND SECONDARY EDUCATION ACT  
18 OF 1965.—Section 8001 of the Elementary and Secondary  
19 Education Act of 1965 (20 U.S.C. 7701) is amended by  
20 striking “section 514 of the Soldiers’ and Sailors’ Civil  
21 Relief Act of 1940 (50 U.S.C. App. 574)” in the matter  
22 preceding paragraph (1) and inserting “section 511 of the  
23 Servicemembers Civil Relief Act”.

1 **SEC. 3. EFFECTIVE DATE.**

2       The amendment made by section 1 shall apply to any  
3 case that is not final before the date of the enactment  
4 of this Act.

Passed the House of Representatives May 7, 2003.

Attest:

*Clerk.*