

107TH CONGRESS  
2D SESSION

# H. R. 5111

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

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## IN THE HOUSE OF REPRESENTATIVES

JULY 12, 2002

Mr. SMITH of New Jersey (for himself, Mr. EVANS, Mr. SIMPSON, and Mr. REYES) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

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,*

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

4       The Soldiers' and Sailors' Civil Relief Act of 1940  
5       (50 U.S.C. App. 501 et seq.) is amended to read as fol-  
6       lows:

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

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

- 1       “(b) TABLE OF CONTENTS.—The table of contents  
2 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 garnishments.

“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—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  
 6 enable such persons to devote their entire energy to  
 7 the defense needs of the Nation; and

8 “(2) to provide for the temporary suspension of  
 9 judicial and administrative proceedings and trans-  
 10 actions that may adversely affect the civil rights of  
 11 servicemembers during their military service.

## 12 **“TITLE I—GENERAL PROVISIONS**

### 13 **“SEC. 101. DEFINITIONS.**

14 “For the purposes of this Act:

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

5           “(2) MILITARY SERVICE.—

6                   “(A) With respect to a member of the  
7           Army, Navy, Air Force, Marine Corps, or Coast  
8           Guard, the term ‘military service’ means active  
9           duty, as that term is defined in section  
10          101(d)(1) of title 10, United States Code.

11                   “(B) Active service of commissioned offi-  
12          cers of the Public Health Service or National  
13          Oceanic and Atmospheric Administration shall  
14          be deemed to be ‘military service’ for the pur-  
15          poses of this Act.

16           “(3) PERIOD OF MILITARY SERVICE.—The term  
17          ‘period of military service’ means the period begin-  
18          ning on the date on which a servicemember enters  
19          military service and ending on the date on which the  
20          servicemember is released from military service or  
21          dies while in military service.

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

24                   “(A) the servicemember’s spouse;

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

4 “(C) an individual for whom the  
5 servicemember provided more than one-half of  
6 the individual’s support for 180 days imme-  
7 diately preceding an application for relief under  
8 this Act.

9 “(5) COURT.—The term ‘court’ means a court  
10 or an administrative agency of the United States or  
11 of any State (including any political subdivision of a  
12 State), whether or not a court or administrative  
13 agency of record.

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

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

17 “(B) the District of Columbia.

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

20 “(A) with respect to a member of the  
21 armed forces, has the meaning given that term  
22 in section 101(a)(9) of title 10, United States  
23 Code;

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

4           “(C) with respect to a commissioned offi-  
5           cer of the National Oceanic and Atmospheric  
6           Administration, means the Secretary of Com-  
7           merce.

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

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

10           “(1) the United States;

11           “(2) each of the States, including the political  
12           subdivisions thereof; and

13           “(3) all territory subject to the jurisdiction of  
14           the United States.

15           “(b) APPLICABILITY TO PROCEEDINGS.—This Act  
16           applies to any judicial or administrative proceeding com-  
17           menced in any court or agency in any jurisdiction subject  
18           to this Act. This Act does not apply to criminal pro-  
19           ceedings.

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

1 **“SEC. 103. PROTECTION OF PERSONS SECONDARILY LIA-**  
2 **BLE.**

3 “(a) EXTENSION OF PROTECTION WHEN ACTIONS  
4 STAYED, POSTPONED, OR SUSPENDED.—Whenever pur-  
5 suant to this Act a court stays, postpones, or suspends  
6 (1) the enforcement of an obligation or liability, (2) the  
7 prosecution of a suit or proceeding, (3) the entry or en-  
8 forcement of an order, writ, judgment, or decree, or (4)  
9 the performance of any other act, the court may likewise  
10 grant such a stay, postponement, or suspension to a sur-  
11 ety, guarantor, endorser, accommodation maker, comaker,  
12 or other person who is or may be primarily or secondarily  
13 subject to the obligation or liability the performance or  
14 enforcement of which is stayed, postponed, or suspended.

15 “(b) VACATION OR SET-ASIDE OF JUDGMENTS.—  
16 When a judgment or decree is vacated or set aside, in  
17 whole or in part, pursuant to this Act, the court may also  
18 set aside or vacate, as the case may be, the judgment or  
19 decree as to a surety, guarantor, endorser, accommodation  
20 maker, comaker, or other person who is or may be pri-  
21 marily or secondarily liable on the contract or liability for  
22 the enforcement of the judgment or decree.

23 “(c) BAIL BOND NOT TO BE ENFORCED DURING  
24 PERIOD OF MILITARY SERVICE.—A court may not enforce  
25 a bail bond during the period of military service of the  
26 principal on the bond when military service prevents the

1 surety from obtaining the attendance of the principal. The  
2 court may discharge the surety and exonerate the bail, in  
3 accordance with principles of equity and justice, during  
4 or after the period of military service of the principal.

5 “(d) WAIVER OF RIGHTS.—

6 “(1) WAIVERS NOT PRECLUDED.—This Act  
7 does not prevent a waiver in writing by a surety,  
8 guarantor, endorser, accommodation maker,  
9 comaker, or other person (whether primarily or sec-  
10 ondarily liable on an obligation or liability) of the  
11 protections provided under subsections (a) and (b).  
12 Any such waiver is effective only if it is executed as  
13 an instrument separate from the obligation or liabil-  
14 ity with respect to which it applies.

15 “(2) WAIVER INVALIDATED UPON ENTRANCE  
16 TO MILITARY SERVICE.—If a waiver under para-  
17 graph (1) is executed by an individual who after the  
18 execution of the waiver enters military service, or by  
19 a dependent of an individual who after the execution  
20 of the waiver enters military service, the waiver is  
21 not valid after the beginning of the period of such  
22 military service unless the waiver was executed by  
23 such individual or dependent during the period spec-  
24 ified in section 106.



1 **“SEC. 104. EXTENSION OF PROTECTIONS TO CITIZENS**  
2 **SERVING WITH ALLIED FORCES.**

3 “A citizen of the United States who is serving with  
4 the forces of a nation with which the United States is al-  
5 lied in the prosecution of a war or military action is enti-  
6 tled to the relief and protections provided under this Act  
7 if that service with the allied force is similar to military  
8 service as defined in this Act. The relief and protections  
9 provided to such citizen shall terminate on the date of dis-  
10 charge or release from such service.

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

12 “The Secretary concerned shall ensure that notice of  
13 the benefits accorded by this Act is provided in writing  
14 to persons in military service and to persons entering mili-  
15 tary service.

16 **“SEC. 106. EXTENSION OF RIGHTS AND PROTECTIONS TO**  
17 **RESERVES ORDERED TO REPORT FOR MILI-**  
18 **TARY SERVICE AND TO PERSONS ORDERED**  
19 **TO REPORT FOR INDUCTION.**

20 “(a) RESERVES ORDERED TO REPORT FOR MILI-  
21 TARY SERVICE.—A member of a reserve component who  
22 is ordered to report for military service is entitled to the  
23 rights and protections of this title and titles II and III  
24 during the period beginning on the date of the member’s  
25 receipt of the order and ending on the date on which the  
26 member reports for military service (or, if the order is re-

1 voked before the member so reports, or the date on which  
2 the order is revoked).

3 “(b) PERSONS ORDERED TO REPORT FOR INDUC-  
4 TION.—A person who has been ordered to report for in-  
5 duction under the Military Selective Service Act (50  
6 U.S.C. App. 451 et seq.) is entitled to the rights and pro-  
7 tections provided a servicemember under this title and ti-  
8 tles II and III during the period beginning on the date  
9 of receipt of the order for induction and ending on the  
10 date on which the person reports for induction (or, if the  
11 order to report for induction is revoked before the date  
12 on which the person reports for induction, on the date on  
13 which the order is revoked).

14 **“SEC. 107. WAIVER OF RIGHTS PURSUANT TO WRITTEN**  
15 **AGREEMENT.**

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

1       “(b) ACTIONS REQUIRING WAIVERS IN WRITING.—

2       The requirement in subsection (a) for a written waiver ap-  
3       plies to the following:

4               “(1) The modification, termination, or cancella-  
5       tion of—

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

7                       “(B) an obligation secured by a mortgage,  
8       trust, deed, lien, or other security in the nature  
9       of a mortgage.

10               “(2) The repossession, retention, foreclosure,  
11       sale, forfeiture, or taking possession of property  
12       that—

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

14                       “(B) was purchased or received under a  
15       contract, lease, or bailment.

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

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

20               “(2) the period with respect to such a person  
21       specified in subsection (a) or (b), as the case may  
22       be, of section 106 shall be considered to be a period  
23       of military service.

1 **“SEC. 108. EXERCISE OF RIGHTS UNDER ACT NOT TO AF-**  
2 **FECTION CERTAIN FUTURE FINANCIAL TRANS-**  
3 **ACTIONS.**

4 “Application by a servicemember for, or receipt by  
5 a servicemember of, a stay, postponement, or suspension  
6 pursuant to this Act in the payment of a tax, fine, penalty,  
7 insurance premium, or other civil obligation or liability of  
8 that servicemember shall not itself (without regard to  
9 other considerations) provide the basis for any of the fol-  
10 lowing:

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

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

16 “(A) a denial or revocation of credit by the  
17 creditor;

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

20 “(C) a refusal by the creditor to grant  
21 credit to the servicemember in substantially the  
22 amount or on substantially the terms requested.

23 “(3) An adverse report relating to the credit-  
24 worthiness of the servicemember by or to a person  
25 engaged in the practice of assembling or evaluating  
26 consumer credit information.

1           “(4) A refusal by an insurer to insure the  
2       servicemember.

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

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

10   **“SEC. 109. LEGAL REPRESENTATIVES.**

11       “(a) REPRESENTATIVE.—A legal representative of a  
12   servicemember for purposes of this Act is either of the  
13   following:

14           “(1) An attorney acting on the behalf of a  
15       servicemember.

16           “(2) An individual possessing a power of attor-  
17       ney.

18       “(b) APPLICATION.—Whenever the term  
19   ‘servicemember’ is used in this Act, such term shall be  
20   treated as including a reference to a legal representative  
21   of the servicemember.

1       **“TITLE II—GENERAL RELIEF**

2       **“SEC. 201. PROTECTION OF SERVICEMEMBERS AGAINST**  
3               **DEFAULT JUDGMENTS.**

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

7           “(b) AFFIDAVIT REQUIREMENT.—

8               “(1) PLAINTIFF TO FILE AFFIDAVIT.—In any  
9 action or proceeding covered by this section, the  
10 court, before entering judgment for the plaintiff,  
11 shall require the plaintiff to file with the court an  
12 affidavit—

13                   “(A) stating whether or not the defendant  
14 is in military service and showing necessary  
15 facts to support the affidavit; or

16                   “(B) if the plaintiff is unable to determine  
17 whether or not the defendant is in military  
18 service, stating that the plaintiff is unable to  
19 determine whether or not the defendant is in  
20 military service.

21           “(2) APPOINTMENT OF ATTORNEY TO REP-  
22 RESENT DEFENDANT IN MILITARY SERVICE.—If in  
23 an action covered by this section it appears that the  
24 defendant is in military service, the court may not  
25 enter a judgment until after the court appoints an

1 attorney to represent the defendant. If an attorney  
2 appointed under this section to represent a  
3 servicemember cannot locate the servicemember, ac-  
4 tions by the attorney in the case shall not waive any  
5 defense of the servicemember or otherwise bind the  
6 servicemember.

7 “(3) DEFENDANT’S MILITARY STATUS NOT  
8 ASCERTAINED BY AFFIDAVIT.—If based upon the af-  
9 fidavits filed in such an action, the court is unable  
10 to determine whether the defendant is in military  
11 service, the court, before entering judgment, may re-  
12 quire the plaintiff to file a bond in an amount ap-  
13 proved by the court. If the defendant is later found  
14 to be in military service, the bond shall be available  
15 to indemnify the defendant against any loss or dam-  
16 age the defendant may suffer by reason of any judg-  
17 ment for the plaintiff against the defendant, should  
18 the judgment be set aside in whole or in part. The  
19 bond shall remain in effect until expiration of the  
20 time for appeal and setting aside of a judgment  
21 under applicable Federal or State law or regulation  
22 or under any applicable ordinance of a political sub-  
23 division of a State. The court may issue such orders  
24 or enter such judgments as the court determines

1       necessary to protect the rights of the defendant  
2       under this Act.

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

9               “(c) PENALTY FOR MAKING OR USING FALSE AFFI-  
10      DAVIT.—A person who makes or uses an affidavit per-  
11      mitted under subsection (b) (or a statement, declaration,  
12      verification, or certificate as authorized under subsection  
13      (b)(4)) knowing it to be false, shall be fined as provided  
14      in title 18, United States Code, or imprisoned for not more  
15      than one year, or both.

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

22                      “(1) there may be a defense to the action and  
23              a defense cannot be presented without the presence  
24              of the defendant; or



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

4           “(e) INAPPLICABILITY OF SECTION 202 PROCE-  
5 DURES.—A stay of proceedings under subsection (d) shall  
6 not be controlled by procedures or requirements under sec-  
7 tion 202.

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

12          “(g) VACATION OR SETTING ASIDE OF DEFAULT  
13 JUDGMENTS.—

14           “(1) AUTHORITY FOR COURT TO VACATE OR  
15 SET ASIDE JUDGMENT.—If a default judgment is en-  
16 tered in an action covered by this section against a  
17 servicemember during the servicemember’s period of  
18 military service (or within 60 days after termination  
19 of or release from such military service), the court  
20 entering the judgment shall, upon application by or  
21 on behalf of the servicemember, reopen the judgment  
22 for the purpose of allowing the servicemember to de-  
23 fend the action if it appears that—

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

4           “(B) the servicemember has a meritorious  
5           or legal defense to the action or some part of  
6           it.

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

11          “(h) PROTECTION OF BONA FIDE PURCHASER.—If  
12          a court vacates, sets aside, or reverses a default judgment  
13          against a servicemember and the vacating, setting aside,  
14          or reversing is because of a provision of this Act, that ac-  
15          tion shall not impair a right or title acquired by a bona  
16          fide purchaser for value under the default judgment.

17          **“SEC. 202. STAY OF PROCEEDINGS WHEN SERVICEMEMBER**  
18                                   **DEFENDANT HAS NOTICE.**

19          “(a) APPLICABILITY OF SECTION.—This section ap-  
20          plies to any civil action or proceeding in which the defend-  
21          ant at the time of filing an application under this  
22          section—

23                 “(1) is in military service or is within 90 days  
24                 after termination of or release from military service;  
25                 and

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

3           “(b) AUTOMATIC STAY.—

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

11          “(2) CONDITIONS FOR STAY.—An application  
12    for a stay under paragraph (1) shall include the fol-  
13    lowing:

14           “(A) A letter or other communication set-  
15    ting forth facts stating the manner in which  
16    current military duty requirements materially  
17    affect the servicemember’s ability to appear and  
18    stating a date when the servicemember will be  
19    available to appear.

20           “(B) A letter or other communication from  
21    the servicemember’s commanding officer stating  
22    that the servicemember’s current military duty  
23    prevents appearance and that military leave is  
24    not authorized for the servicemember at the  
25    time of the letter.

1       “(c) APPLICATION NOT A WAIVER OF DEFENSES.—

2   An application for a stay under this section does not con-  
3   stitute a waiver of any substantive or procedural defense  
4   (including a defense relating to lack of personal jurisdic-  
5   tion).

6       “(d) ADDITIONAL STAY.—

7           “(1) APPLICATION.—A servicemember who is  
8       granted a stay of a civil action or proceeding under  
9       subsection (b) may apply for an additional stay  
10      based on continuing material affect of military duty  
11      on the servicemember’s ability to appear. Such an  
12      application may be made by the servicemember at  
13      the time of the initial application under subsection  
14      (b) or when it appears that the servicemember is un-  
15      available to prosecute or defend the action. The  
16      same information required under subsection (b)(2)  
17      shall be included in an application under this sub-  
18      section.

19           “(2) APPOINTMENT OF COUNSEL WHEN ADDI-  
20      TIONAL STAY REFUSED.—If the court refuses to  
21      grant an additional stay of proceedings under para-  
22      graph (1), the court shall appoint counsel to rep-  
23      resent the servicemember in the action or pro-  
24      ceeding.

1       “(e) COORDINATION WITH SECTION 201.—A  
2 servicemember who applies for a stay under this section  
3 and is unsuccessful may not seek the protections afforded  
4 by section 201.

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

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

8       “(a) PROHIBITION OF PENALTIES.—When an action  
9 for compliance with the terms of a contract is stayed pur-  
10 suant to this Act, a penalty shall not accrue for failure  
11 to comply with the terms of the contract during the period  
12 of the stay.

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

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

20               “(2) the ability of the servicemember to per-  
21 form the obligation was materially affected by such  
22 military service.

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

3 “(a) COURT ACTION UPON MATERIAL AFFECT DE-  
4 TERMINATION.—If a servicemember, in the opinion of the  
5 court, is materially affected by reason of military service  
6 in complying with a court judgment or order, the court  
7 may on its own motion and shall on application by the  
8 servicemember—

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

11 “(2) vacate or stay an attachment or garnish-  
12 ment of property, money, or debts in the possession  
13 of the servicemember or a third party, whether be-  
14 fore or after judgment.

15 “(b) APPLICABILITY.—This section applies to an ac-  
16 tion or proceeding commenced in a court against a  
17 servicemember before or during the period of the  
18 servicemember’s military service or within 60 days after  
19 such service terminates.

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

22 “(a) PERIOD OF STAY.—A stay of an action, pro-  
23 ceeding, attachment, or execution made pursuant to the  
24 provisions of this Act by a court may be ordered for the  
25 period of military service and 90 days thereafter, or for  
26 any part of that period. The court may set the terms and

1 amounts for such installment payments as is considered  
2 reasonable by the court.

3 “(b) CODEFENDANTS.—If the servicemember is a co-  
4 defendant with others not in military service, the plaintiff  
5 may proceed against the other defendants with the ap-  
6 proval of the court.

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

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

10 “(a) TOLLING OF STATUTES OF LIMITATION DURING  
11 MILITARY SERVICE.—The period of a servicemember’s  
12 military service may not be included in computing any pe-  
13 riod limited by law, regulation, or order for the bringing  
14 of any action or proceeding in a court, or in any board,  
15 bureau, commission, department, or other agency of a  
16 State (or political subdivision of a State) or the United  
17 States by or against the servicemember or the  
18 servicemember’s heirs, executors, administrators, or as-  
19 signs.

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

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

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

7       “(a) INTEREST RATE LIMITATION.—

8               “(1) 6-PERCENT LIMIT.—An obligation or liabil-  
 9 ity bearing interest at a rate in excess of 6 percent  
 10 per year that is incurred by a servicemember, or the  
 11 servicemember and the servicemember’s spouse joint-  
 12 ly, before the servicemember enters military service  
 13 shall not bear interest at a rate in excess of 6 per-  
 14 cent per year during the period of military service.

15              “(2) FORGIVENESS OF INTEREST IN EXCESS OF  
 16 6 PERCENT.—Interest at a rate in excess of 6 per-  
 17 cent per year that would otherwise be incurred but  
 18 for the prohibition in paragraph (1) is forgiven.

19              “(3) PREVENTION OF ACCELERATION OF PRIN-  
 20 CIPAL.—The portion of any periodic payments that  
 21 is allocated to principal under an obligation or liabil-  
 22 ity covered by this section may not be increased by  
 23 the lender above that specified in the original con-  
 24 tract with the servicemember.

25       “(b) IMPLEMENTATION OF LIMITATION.—



1           “(1) WRITTEN NOTICE TO CREDITOR.—In  
2       order for an obligation or liability of a  
3       servicemember to be subject to the interest rate limi-  
4       tation in subsection (a), the servicemember shall  
5       provide to the creditor written notice and a copy of  
6       the military orders calling the servicemember to mili-  
7       tary service and any orders further extending mili-  
8       tary service, not later than 180 days after the date  
9       of the servicemember’s termination or release from  
10      military service.

11           “(2) LIMITATION EFFECTIVE AS OF DATE OF  
12      ORDER TO ACTIVE DUTY.—Upon receipt of written  
13      notice and a copy of orders calling a servicemember  
14      to military service, the creditor shall treat the debt  
15      in accordance with subsection (a), effective as of the  
16      date on which the servicemember is called to military  
17      service.

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

24           “(d) INTEREST DEFINED.—As used in this section,  
25      the term ‘interest’ means simple interest plus service

1 charges, renewal charges, fees, or any other charges (ex-  
 2 cept bona fide insurance) with respect to an obligation or  
 3 liability.

4 **“TITLE III—RENT, INSTALLMENT**  
 5 **CONTRACTS, MORTGAGES,**  
 6 **LIENS, ASSIGNMENT, LEASES**

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

8 “(a) COURT-ORDERED EVICTION.—Except by court  
 9 order, a landlord (or another person with paramount title)  
 10 may not—

11 “(1) evict a servicemember, or the dependents  
 12 of a servicemember, during a period of military serv-  
 13 ice of the servicemember, from premises—

14 “(A) that are occupied or intended to be  
 15 occupied primarily as a residence; and

16 “(B) for which the monthly rent does not  
 17 exceed \$1,700; or

18 “(2) subject such premises to a distress during  
 19 the period of military service.

20 “(b) STAY OF EXECUTION.—

21 “(1) COURT AUTHORITY.—Upon an application  
 22 for eviction or distress with respect to premises cov-  
 23 ered by this section, the court may on its own mo-  
 24 tion and shall, if a request is made by or on behalf

1 of a servicemember whose ability to pay the agreed  
2 rent is materially affected by military service—

3 “(A) stay the proceedings for a period of  
4 90 days, unless in the opinion of the court, jus-  
5 tice and equity require a longer or shorter pe-  
6 riod of time; or

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

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

13 “(c) PENALTIES.—

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

20 “(2) PRESERVATION OF OTHER REMEDIES AND  
21 RIGHTS.—The remedies and rights provided under  
22 this section are in addition to and do not preclude  
23 any remedy for wrongful conversion (or wrongful  
24 eviction) otherwise available under the law to the

1 person claiming relief under this section, including  
 2 any award for consequential and punitive damages.

3 “(d) RENT ALLOTMENT FROM PAY OF  
 4 SERVICEMEMBER.—To the extent required by a court  
 5 order related to property which is the subject of a court  
 6 action under this section, the Secretary concerned shall  
 7 make an allotment from the pay of a servicemember to  
 8 satisfy the terms of such order, except that any such allot-  
 9 ment shall be subject to regulations prescribed by the Sec-  
 10 retary concerned establishing the maximum amount of pay  
 11 of servicemembers that may be allotted under this sub-  
 12 section.

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

15 **“SEC. 302. PROTECTION UNDER INSTALLMENT CONTRACTS**  
 16 **FOR PURCHASE OR LEASE.**

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

18 “(1) PROTECTION AFTER ENTERING MILITARY  
 19 SERVICE.—After a servicemember enters military  
 20 service, a contract by the servicemember for—

21 “(A) the purchase of real or personal prop-  
 22 erty; or

23 “(B) the lease or bailment of such prop-  
 24 erty,

1       may not be rescinded or terminated for a breach of  
2       terms of the contract occurring before or during that  
3       person’s military service, nor may the property be  
4       repossessed for such breach without a court order.

5           “(2) APPLICABILITY.—This section applies only  
6       to a contract for which a deposit or installment has  
7       been paid by the servicemember before the  
8       servicemember enters military service.

9           “(b) PENALTIES.—

10          “(1) MISDEMEANOR.—A person who knowingly  
11       resumes possession of property in violation of sub-  
12       section (a), or in violation of section 108 of this Act,  
13       or who knowingly attempts to do so, shall be fined  
14       as provided in title 18, United States Code, or im-  
15       prisoned for not more than one year, or both.

16          “(2) PRESERVATION OF OTHER REMEDIES AND  
17       RIGHTS.—The remedies and rights provided under  
18       this section are in addition to and do not preclude  
19       any remedy for wrongful conversion otherwise avail-  
20       able under law to the person claiming relief under  
21       this section, including any award for consequential  
22       and punitive damages.

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

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

5           “(2) may, on its own motion, and shall on ap-  
6       plication by a servicemember when the  
7       servicemember’s ability to comply with the contract  
8       is materially affected by military service, stay the  
9       proceedings for a period of time as, in the opinion  
10      of the court, justice and equity require; or

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

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

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

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

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

22          “(b) STAY OF PROCEEDINGS AND ADJUSTMENT OF  
23      OBLIGATION.—In an action filed during, or within 90 days  
24      after, a servicemember’s period of military service to en-  
25      force an obligation described in subsection (a), the court

1 may after a hearing and on its own motion and shall upon  
 2 application by a servicemember when the servicemember's  
 3 ability to comply with the obligation is materially affected  
 4 by military service—

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

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

9           “(c) SALE OR FORECLOSURE.—A sale, foreclosure, or  
 10 seizure of property for a breach of an obligation described  
 11 in subsection (a) shall not be valid if made during, or with-  
 12 in 90 days after, the period of the servicemember's mili-  
 13 tary service except—

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

17           “(2) if made pursuant to an agreement as pro-  
 18 vided in section 108.

19           “(d) PENALTIES.—

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

1           “(2) PRESERVATION OF OTHER REMEDIES.—

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

7   **“SEC. 304. SETTLEMENT OF STAYED CASES RELATING TO**  
8                           **PERSONAL PROPERTY.**

9           “(a) APPRAISAL OF PROPERTY.—When a stay is  
10          granted pursuant to this Act in a proceeding to foreclose  
11          a mortgage on or to repossess personal property, or to re-  
12          scind or terminate a contract for the purchase of personal  
13          property, the court may appoint three disinterested parties  
14          to appraise the property.

15          “(b) EQUITY PAYMENT.—Based on the appraisal,  
16          and if undue hardship to the servicemember’s dependents  
17          will not result, the court may order that the amount of  
18          the servicemember’s equity in the property be paid to the  
19          servicemember, or the servicemember’s dependents, as a  
20          condition of foreclosing the mortgage, repossessing the  
21          property, or rescinding or terminating the contract.

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

23          “(a) COVERED LEASES.—This section applies to the  
24          lease of premises occupied, or intended to be occupied, by  
25          a servicemember or a servicemember’s dependents for a



1 residential, professional, business, agricultural, or similar  
2 purpose if—

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

6 “(2) the servicemember, while in military serv-  
7 ice, executes a lease and thereafter receives military  
8 orders for a permanent change of station or to de-  
9 ploy with a military unit for a period of not less  
10 than 90 days.

11 “(b) NOTICE TO LESSOR.—

12 “(1) DELIVERY OF NOTICE.—A lease described  
13 in subsection (a) is terminated when written notice  
14 is delivered by the lessee to the lessor (or the lessor’s  
15 grantee) or to the lessor’s agent (or the agent’s  
16 grantee).

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

22 “(3) NATURE OF NOTICE.—Delivery may be  
23 accomplished—

24 “(A) by hand delivery;

25 “(B) by private business carrier; or

1           “(C) by placing the written notice in an  
2           envelope with sufficient postage and addressed  
3           to the lessor (or the lessor’s grantee) or to the  
4           lessor’s agent (or the agent’s grantee) and de-  
5           positing the written notice in the United States  
6           mails.

7           “(c) EFFECTIVE DATE OF TERMINATION.—

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

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

16          “(d) ARREARAGES IN RENT.—Rents unpaid for the  
17          period preceding termination shall be paid on a prorated  
18          basis.

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

23          “(f) RELIEF TO LESSOR.—Upon application by the  
24          lessor to a court before the termination date provided in  
25          the written notice, relief granted by this section to a

1 servicemember may be modified as justice and equity re-  
2 quire.

3 “(g) PENALTIES.—

4 “(1) MISDEMEANOR.—Any person who know-  
5 ingly seizes, holds, or detains the personal effects,  
6 security deposit, or other property of a  
7 servicemember or a servicemember’s dependent who  
8 lawfully terminates a lease covered by this section,  
9 or who knowingly interferes with the removal of such  
10 property from premises covered by such lease, for  
11 the purpose of subjecting or attempting to subject  
12 any of such property to a claim for rent accruing  
13 subsequent to the date of termination of such lease,  
14 or attempts to do so, shall be fined as provided in  
15 title 18, United States Code, or imprisoned for not  
16 more than one year, or both.

17 “(2) PRESERVATION OF OTHER REMEDIES.—

18 The remedy and rights provided under this section  
19 are in addition to and do not preclude any remedy  
20 for wrongful conversion otherwise available under  
21 law to the person claiming relief under this section,  
22 including any award for consequential or punitive  
23 damages.

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

2       “(a) ASSIGNMENT OF POLICY PROTECTED.—If a life  
3 insurance policy on the life of a servicemember is assigned  
4 before military service to secure the payment of an obliga-  
5 tion, the assignee of the policy (except the insurer in con-  
6 nection with a policy loan) may not exercise, during a pe-  
7 riod of military service of the servicemember or within one  
8 year thereafter, any right or option obtained under the  
9 assignment without a court order.

10       “(b) EXCEPTION.—The prohibition in subsection (a)  
11 shall not apply—

12               “(1) if the assignee has the written consent of  
13 the insured made during the period described in sub-  
14 section (a)(1);

15               “(2) when the premiums on the policy are due  
16 and unpaid; or

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

18       “(c) ORDER REFUSED BECAUSE OF MATERIAL AF-  
19 FECT.—A court which receives an application for an order  
20 required under subsection (a) may refuse to grant such  
21 order if the court determines the ability of the  
22 servicemember to comply with the terms of the obligation  
23 is materially affected by military service.

24       “(d) TREATMENT OF GUARANTEED PREMIUMS.—  
25 For purposes of this subsection, premiums guaranteed

1 under the provisions of title IV of this Act shall not be  
2 considered due and unpaid.

3 “(e) PENALTIES.—

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

9 “(2) PRESERVATION OF OTHER REMEDIES.—

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

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

16 “(a) LIENS.—

17 “(1) LIMITATION ON FORECLOSURE OR EN-  
18 FORCEMENT.—A person holding a lien on the prop-  
19 erty or effects of a servicemember may not, during  
20 any period of military service of the servicemember  
21 and for 90 days thereafter, foreclose or enforce any  
22 lien on such property or effects without a court  
23 order granted before foreclosure or enforcement.

24 “(2) LIEN DEFINED.—For the purposes of  
25 paragraph (1), the term ‘lien’ includes a lien for

1 storage, repair, or cleaning of the property or effects  
2 of a servicemember or a lien on such property or ef-  
3 fects for any other reason.

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

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

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

14 The provisions of this subsection do not affect the scope  
15 of section 303.

16 “(c) PENALTIES.—

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

22 “(2) PRESERVATION OF OTHER REMEDIES.—  
23 The remedy and rights provided under this section  
24 are in addition to and do not preclude any remedy  
25 for wrongful conversion otherwise available under

1 law to the person claiming relief under this section,  
 2 including any consequential or punitive damages.

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

4 “Upon application to a court, a dependent of a  
 5 servicemember is entitled to the protections of this title  
 6 if the dependent’s ability to comply with a lease, contract,  
 7 bailment, or other obligation is materially affected by rea-  
 8 son of the servicemember’s military service.

9 **“TITLE IV—INSURANCE**

10 **“SEC. 401. DEFINITIONS.**

11 “For the purposes of this title:

12 “(1) POLICY.—The term ‘policy’ means any  
 13 contract for whole, endowment, universal, or term  
 14 life insurance, including any benefit in the nature of  
 15 such insurance arising out of membership in any  
 16 fraternal or beneficial association which—

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

18 “(i) decrease the amount of coverage  
 19 or increase the amount of premiums if the  
 20 insured is in military service; or

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

23 “(B) is in force not less than 180 days be-  
 24 fore the date of the insured’s entry into military

1 service and at the time of application under this  
2 title.

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

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

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

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

14 “(a) RIGHTS AND PROTECTIONS.—The rights and  
15 protections under this title apply to the insured when the  
16 insured, the insured’s designee, or the insured’s bene-  
17 ficiary applies in writing for protection under this title,  
18 unless the Secretary of Veterans Affairs determines that  
19 the insured’s policy is not entitled to protection under this  
20 title.

21 “(b) NOTIFICATION AND APPLICATION.—The Sec-  
22 retary of Veterans Affairs shall notify the Secretary con-  
23 cerned of the procedures to be used to apply for the pro-  
24 tections provided under this title. The applicant shall send



1 the original application to the insurer and a copy to the  
2 Secretary of Veterans Affairs.

3 “(c) LIMITATION ON AMOUNT.—The total amount of  
4 life insurance coverage protection provided by this title for  
5 a servicemember may not exceed \$250,000, or an amount  
6 equal to the Servicemember’s Group Life Insurance max-  
7 imum limit, whichever is greater, regardless of the number  
8 of policies submitted.

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

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

12 “(1) be in writing and signed by the insured,  
13 the insured’s designee, or the insured’s beneficiary,  
14 as the case may be;

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

16 “(3) include an acknowledgement that the in-  
17 sured’s rights under the policy are subject to and  
18 modified by the provisions of this title.

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

23 “(c) NOTICE TO THE SECRETARY BY THE IN-  
24 SURED.—Upon receipt of the application of the insured,  
25 the insurer shall furnish a report concerning the policy

1 to the Secretary of Veterans Affairs as required by regula-  
2 tions prescribed by the Secretary.

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

7 **“SEC. 404. POLICIES ENTITLED TO PROTECTION AND**  
8 **LAPSE OF POLICIES.**

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

13 “(b) LAPSE PROTECTION.—A policy that the Sec-  
14 retary determines is entitled to protection under this title  
15 shall not lapse or otherwise terminate or be forfeited for  
16 the nonpayment of a premium, or interest or indebtedness  
17 on a premium, after the date of the application for protec-  
18 tion.

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

22 **“SEC. 405. POLICY RESTRICTIONS.**

23 “(a) DIVIDENDS.—While a policy is protected under  
24 this title, a dividend or other monetary benefit under a  
25 policy may not be paid to an insured or used to purchase

1 dividend additions without the approval of the Secretary  
2 of Veterans Affairs. If such approval is not obtained, the  
3 dividends or benefits shall be added to the value of the  
4 policy to be used as a credit when final settlement is made  
5 with the insurer.

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

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

15 “(a) SETTLEMENT OF PROCEEDS.—If a policy ma-  
16 tures as a result of a servicemember’s death or otherwise  
17 during the period of protection of the policy under this  
18 title, the insurer in making settlement shall deduct from  
19 the insurance proceeds the amount of the unpaid pre-  
20 miums guaranteed under this title, together with interest  
21 due at the rate fixed in the policy for policy loans.

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

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

4       **“SEC. 407. PREMIUMS AND INTEREST GUARANTEED BY**  
5               **UNITED STATES.**

6       “(a) GUARANTEE OF PREMIUMS AND INTEREST BY  
7       THE UNITED STATES.—

8               “(1) GUARANTEE.—Payment of premiums, and  
9       interest on premiums at the rate specified in section  
10      406, which become due on a policy under the protec-  
11      tion of this title is guaranteed by the United States.  
12      If the amount guaranteed is not paid to the insurer  
13      before the period of insurance protection under this  
14      title expires, the amount due shall be treated by the  
15      insurer as a policy loan on the policy.

16              “(2) POLICY TERMINATION.—If, at the expira-  
17      tion of insurance protection under this title, the cash  
18      surrender value of a policy is less than the amount  
19      due to pay premiums and interest on premiums on  
20      the policy, the policy shall terminate. Upon such ter-  
21      mination, the United States shall pay the insurer the  
22      difference between the amount due and the cash sur-  
23      render value.

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

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

6           “(2) COLLECTION.—Such amount may be col-  
7 lected by the United States, either as an offset from  
8 any amount due the insured by the United States or  
9 as otherwise authorized by law.

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

13          “(c) CREDITING OF AMOUNTS RECOVERED.—Any  
14 amounts received by the United States as repayment of  
15 debts incurred by an insured under this title shall be cred-  
16 ited to the appropriation for the payment of claims under  
17 this title.

18 **“SEC. 408. REGULATIONS.**

19          “The Secretary of Veterans Affairs shall prescribe  
20 regulations for the implementation of this title.

21 **“SEC. 409. REVIEW OF FINDINGS OF FACT AND CONCLU-**  
22 **SIONS OF LAW.**

23          “The findings of fact and conclusions of law made  
24 by the Secretary of Veterans Affairs in administering this  
25 title may be reviewed by the Board of Veterans’ Appeals

1 and the United States Court of Appeals for Veterans  
2 Claims.

3 **“TITLE V—TAXES AND PUBLIC**  
4 **LANDS**

5 **“SEC. 501. TAXES RESPECTING PERSONAL PROPERTY,**  
6 **MONEY, CREDITS, AND REAL PROPERTY.**

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

12 “(1) personal property; or

13 “(2) real property occupied for dwelling, profes-  
14 sional, business, or agricultural purposes by a  
15 servicemember or the servicemember’s dependents or  
16 employees—

17 “(A) before the servicemember’s entry into  
18 military service; and

19 “(B) during the time the tax or assessment  
20 remains unpaid.

21 “(b) SALE OF PROPERTY.—

22 “(1) LIMITATION ON SALE OF PROPERTY TO  
23 ENFORCE TAX ASSESSMENT.—Property described in  
24 subsection (a) may not be sold to enforce the collec-  
25 tion of such tax or assessment except by court order

1       and upon the determination by the court that mili-  
2       tary service does not materially affect the  
3       servicemember's ability to pay the unpaid tax or as-  
4       sessment.

5               “(2) STAY OF COURT PROCEEDINGS.—A court  
6       may stay a proceeding to enforce the collection of  
7       such tax or assessment, or sale of such property,  
8       during a period of military service of the  
9       servicemember and for a period not more than 180  
10      days after the termination of, or release of the  
11      servicemember from, military service.

12             “(c) REDEMPTION.—When property described in sub-  
13      section (a) is sold or forfeited to enforce the collection of  
14      a tax or assessment, a servicemember shall have the right  
15      to redeem or commence an action to redeem the  
16      servicemember's property during the period of military  
17      service or within 180 days after termination of or release  
18      from military service. This subsection may not be con-  
19      strued to shorten any period provided by the law of a State  
20      (including any political subdivision of a State) for redemp-  
21      tion.

22             “(d) INTEREST ON TAX OR ASSESSMENT.—Whenever  
23      a servicemember does not pay a tax or assessment on  
24      property described in subsection (a) when due, the amount  
25      of the tax or assessment due and unpaid shall bear inter-

1 est until paid at the rate of 6 percent per year. An addi-  
2 tional penalty or interest shall not be incurred by reason  
3 of nonpayment. A lien for such unpaid tax or assessment  
4 may include interest under this subsection.

5 “(e) **JOINT OWNERSHIP APPLICATION.**—This section  
6 applies to all forms of property described in subsection (a)  
7 owned individually by a servicemember or jointly by a  
8 servicemember and a dependent or dependents.

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

10 “(a) **RIGHTS NOT FORFEITED.**—The rights of a  
11 servicemember to lands owned or controlled by the United  
12 States, and initiated or acquired by the servicemember  
13 under the laws of the United States (including the mining  
14 and mineral leasing laws) before military service, shall not  
15 be forfeited or prejudiced as a result of being absent from  
16 the land, or by failing to begin or complete any work or  
17 improvements to the land, during the period of military  
18 service.

19 “(b) **TEMPORARY SUSPENSION OF PERMITS OR LI-**  
20 **CENSES.**—If a permittee or licensee under the Act of June  
21 28, 1934 (43 U.S.C. 315 et seq.), enters military service,  
22 the permittee or licensee may suspend the permit or li-  
23 cense for the period of military service and for 180 days  
24 after termination of or release from military service.



1       “(c) REGULATIONS.—Regulations prescribed by the  
2 Secretary of the Interior shall provide for such suspension  
3 of permits and licenses and for the remission, reduction,  
4 or refund of grazing fees during the period of such suspen-  
5 sion.

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

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

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

14               “(2) for failure to effect the reclamation of the  
15 claim during the period the entryman or the  
16 entryman’s successor in interest is in the military  
17 service, or for 180 days after termination of or re-  
18 lease from military service; or

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

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

1       “(b) SERVICE-RELATED DISABILITY.—If an  
2 entryman or claimant is honorably discharged and is un-  
3 able to accomplish reclamation of, and payment for, desert  
4 land due to a disability incurred in the line of duty, the  
5 entryman or claimant may make proof without further  
6 reclamation or payments, under regulations prescribed by  
7 the Secretary of the Interior, and receive a patent for the  
8 land entered or claimed.

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

15       **“SEC. 504. MINING CLAIMS.**

16       “(a) REQUIREMENTS SUSPENDED.—The provisions  
17 of section 2324 of the Revised Statutes of the United  
18 States (30 U.S.C. 28) specified in subsection (b) shall not  
19 apply to a servicemember’s claims or interests in claims,  
20 regularly located and recorded, during a period of military  
21 service and 180 days thereafter, or during any period of  
22 hospitalization or rehabilitation due to injuries or disabili-  
23 ties incurred in the line of duty.

24       “(b) REQUIREMENTS.—The provisions in section  
25 2324 of the Revised Statutes that shall not apply under

1 subsection (a) are those which require that on each mining  
2 claim located after May 10, 1872, and until a patent has  
3 been issued for such claim, not less than \$100 worth of  
4 labor shall be performed or improvements made during  
5 each year.

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

14 “(d) FILING REQUIREMENT.—In order to obtain the  
15 protections of this section, the claimant of a mining loca-  
16 tion shall, before the end of the assessment year in which  
17 military service is begun or within 60 days after the end  
18 of such assessment year, cause to be filed in the office  
19 where the location notice or certificate is recorded a notice  
20 communicating the fact of military service and the desire  
21 to hold the mining claim under this section.

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

23 “(a) SUSPENSION DURING MILITARY SERVICE.—A  
24 person holding a permit or lease on the public domain  
25 under the Federal mineral leasing laws who enters mili-

1 tary service may suspend all operations under the permit  
2 or lease for the duration of military service and for 180  
3 days thereafter. The term of the permit or lease shall not  
4 run during the period of suspension, nor shall any rental  
5 or royalties be charged against the permit or lease during  
6 the period of suspension.

7 “(b) NOTIFICATION.—In order to obtain the protec-  
8 tion of this section, the permittee or lessee shall, within  
9 180 days after entry into military service, notify the Sec-  
10 retary of the Interior by registered mail of the fact that  
11 military service has begun and of the desire to hold the  
12 claim under this section.

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

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

17 “(a) RIGHT TO TAKE ACTION NOT AFFECTED.—  
18 This title shall not affect the right of a servicemember to  
19 take action during a period of military service that is au-  
20 thorized by law or regulations of the Department of the  
21 Interior, for the perfection, defense, or further assertion  
22 of rights initiated or acquired before entering military  
23 service.

24 “(b) AFFIDAVITS AND PROOFS.—

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

11           “(2) LEGAL STATUS OF AFFIDAVITS.—Such af-  
12          fidavits shall be binding in law and subject to the  
13          same penalties as prescribed by section 1001 of title  
14          18, United State Code.

15   **“SEC. 507. DISTRIBUTION OF INFORMATION CONCERNING**  
16                   **BENEFITS OF TITLE.**

17          “(a) DISTRIBUTION OF INFORMATION BY SEC-  
18          RETARY CONCERNED.—The Secretary concerned shall  
19          issue to servicemembers information explaining the provi-  
20          sions of this title.

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

24          “(c) INFORMATION FROM SECRETARY OF THE INTE-  
25          RIOR.—The Secretary of the Interior shall furnish to the

1 Secretary concerned information explaining the provisions  
2 of this title (other than sections 501, 510, and 511) and  
3 related application forms.

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

5       “(a) NO AGE LIMITATIONS.—Any servicemember  
6 under the age of 21 in military service shall be entitled  
7 to the same rights under the laws relating to lands owned  
8 or controlled by the United States, including mining and  
9 mineral leasing laws, as those servicemembers who are 21  
10 years of age.

11       “(b) RESIDENCY REQUIREMENT.—Any requirement  
12 related to the establishment of a residence within a limited  
13 time shall be suspended as to entry by a servicemember  
14 in military service until 180 days after termination of or  
15 release from military service.

16       “(c) ENTRY APPLICATIONS.—Applications for entry  
17 may be verified before a person authorized to administer  
18 oaths under section 1044a of title 10, United States Code,  
19 or under the laws of the State where the land is situated.

20 **“SEC. 509. REGULATIONS.**

21       “The Secretary of the Interior may issue regulations  
22 necessary to carry out this title (other than sections 501,  
23 510, and 511).

1   **“SEC. 510. INCOME TAXES.**

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

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

14          “(c) STATUTE OF LIMITATIONS.—The running of a  
15   statute of limitations against the collection of tax deferred  
16   under this section, by seizure or otherwise, shall be sus-  
17   pended for the period of military service of the  
18   servicemember and for an additional period of 270 days  
19   thereafter.

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

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

24          “(a) RESIDENCE OR DOMICILE.—A servicemember  
25   shall neither lose nor acquire a residence or domicile for  
26   purposes of taxation with respect to the person, personal

1 property, or income of the servicemember by reason of  
2 being absent or present in any tax jurisdiction of the  
3 United States solely in compliance with military orders.

4 “(b) MILITARY SERVICE COMPENSATION.—Com-  
5 pensation of a servicemember for military service shall not  
6 be deemed to be income for services performed or from  
7 sources within a tax jurisdiction of the United States if  
8 the servicemember is not a resident or domiciliary of the  
9 jurisdiction in which the servicemember is serving in com-  
10 pliance with military orders.

11 “(c) PERSONAL PROPERTY.—

12 “(1) RELIEF FROM PERSONAL PROPERTY  
13 TAXES.—The personal property of a servicemember  
14 shall not be deemed to be located or present in, or  
15 to have a situs for taxation in, the tax jurisdiction  
16 in which the servicemember is serving in compliance  
17 with military orders.

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

23 “(3) EXCEPTION FOR PROPERTY USED IN  
24 TRADE OR BUSINESS.—This section does not prevent  
25 taxation by a tax jurisdiction with respect to per-



1       sonal property used in or arising from a trade or  
2       business, if it has jurisdiction.

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

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

13          “(e) FEDERAL INDIAN RESERVATIONS.—An Indian  
14      servicemember whose legal residence or domicile is a Fed-  
15      eral Indian reservation shall be taxed by the laws applica-  
16      ble to Federal Indian reservations and not the State where  
17      the reservation is located.

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

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

22           “(2) TAXATION.—The term ‘taxation’ includes  
23      licenses, fees, or excises imposed with respect to  
24      motor vehicles and their use, if the license, fee, or

1       excise is paid by the servicemember in the  
2       servicemember's State of domicile or residence.

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

## 6       **“TITLE VI—ADMINISTRATIVE** 7       **REMEDIES**

### 8       **“SEC. 601. INAPPROPRIATE USE OF ACT.**

9       “If a court determines, in any proceeding to enforce  
10   a civil right, that any interest, property, or contract has  
11   been transferred or acquired with the intent to delay the  
12   just enforcement of such right by taking advantage of this  
13   Act, the court shall enter such judgment or make such  
14   order as might lawfully be entered or made concerning  
15   such transfer or acquisition.

### 16   **“SEC. 602. CERTIFICATES OF SERVICE; PERSONS RE-** 17   **PORTED MISSING.**

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

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

24               “(2) The time and the place the person entered  
25       military service.

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

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

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

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

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

12          “(b) CERTIFICATES.—The Secretary concerned shall  
13          furnish a certificate under subsection (a) upon receipt of  
14          an application for such a certificate. A certificate appear-  
15          ing to be signed by the Secretary concerned is prima facie  
16          evidence of its contents and of the signer’s authority to  
17          issue it.

18          “(c) TREATMENT OF SERVICEMEMBERS IN MISSING  
19          STATUS.—A servicemember who has been reported miss-  
20          ing is presumed to continue in service until accounted for.  
21          A requirement under this Act that begins or ends with  
22          the death of a servicemember does not begin or end until  
23          the servicemember’s death is reported to, or determined  
24          by, the Secretary concerned or by a court of competent  
25          jurisdiction.

1 **“SEC. 603. INTERLOCUTORY ORDERS.**

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

6 **“TITLE VII—FURTHER RELIEF**

7 **“SEC. 701. ANTICIPATORY RELIEF.**

8 “(a) APPLICATION FOR RELIEF.—A servicemember  
9 may, during military service or within 180 days of termi-  
10 nation of or release from military service, apply to a court  
11 for relief—

12 “(1) from any obligation or liability incurred by  
13 the servicemember before the servicemember’s mili-  
14 tary service; or

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

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

23 “(1) STAY OF ENFORCEMENT OF REAL ESTATE  
24 CONTRACTS.—

25 “(A) In the case of an obligation payable  
26 in installments under a contract for the pur-

1           chase of real estate, or secured by a mortgage  
2           or other instrument in the nature of a mortgage  
3           upon real estate, the court may grant a stay of  
4           the enforcement of the obligation—

5                   “(i) during the servicemember’s period  
6                   of military service; and

7                   “(ii) from the date of termination of  
8                   or release from military service, or from  
9                   the date of application if made after termi-  
10                  nation of or release from military service.

11                  “(B) Any stay under this paragraph shall  
12                  be—

13                   “(i) for a period equal to the remain-  
14                   ing life of the installment contract or other  
15                   instrument, plus a period of time equal to  
16                   the period of military service of the  
17                   servicemember, or any part of such com-  
18                   bined period; and

19                   “(ii) subject to payment of the bal-  
20                   ance of the principal and accumulated in-  
21                   terest due and unpaid at the date of termi-  
22                   nation or release from the applicant’s mili-  
23                   tary service or from the date of application  
24                   in equal installments during the combined  
25                   period at the rate of interest on the unpaid

1 balance prescribed in the contract or other  
2 instrument evidencing the obligation, and  
3 subject to other terms as may be equitable.

4 “(2) STAY OF ENFORCEMENT OF OTHER CON-  
5 TRACTS.—

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

9 “(i) during the servicemember’s mili-  
10 tary service; and

11 “(ii) from the date of termination of  
12 or release from military service, or from  
13 the date of application if made after termi-  
14 nation or release from military service.

15 “(B) Any stay under this paragraph shall  
16 be—

17 “(i) for a period of time equal to the  
18 period of the servicemember’s military  
19 service or any part of such period; and

20 “(ii) subject to payment of the bal-  
21 ance of principal and accumulated interest  
22 due and unpaid at the date of termination  
23 or release from military service, or the date  
24 of application, in equal periodic install-  
25 ments during this extended period at the

1 rate of interest as may be prescribed for  
2 this obligation, liability, tax, or assessment,  
3 if paid when due, and subject to other  
4 terms as may be equitable.

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

10 **“SEC. 702. POWER OF ATTORNEY.**

11 “(a) AUTOMATIC EXTENSION.—A power of attorney  
12 of a servicemember shall be automatically extended for the  
13 period the servicemember is in a missing status (as de-  
14 fined in section 551(2) of title 37, United States Code)  
15 if the power of attorney—

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

17 “(A) while in military service; or

18 “(B) before entry into military service but  
19 after the servicemember—

20 “(i) received a call or order to report  
21 for military service; or

22 “(ii) was notified by an official of the  
23 Department of Defense that the person  
24 could receive a call or order to report for  
25 military service;

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

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

7           “(b) LIMITATION ON POWER OF ATTORNEY EXTEN-  
8           SION.—A power of attorney executed by a servicemember  
9           may not be extended under subsection (a) if the document  
10          by its terms clearly indicates that the power granted ex-  
11          pires on the date specified even though the servicemember,  
12          after the date of execution of the document, enters a miss-  
13          ing status.

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

15          “(a) APPLICABILITY.—This section applies to a  
16          servicemember who—

17               “(1) after July 31, 1990, is ordered to active  
18               duty (other than for training) pursuant to sections  
19               688, 12301(a), 12301(g), 12302, 12304, 12306, or  
20               12307 of title 10, United States Code, or who is or-  
21               dered to active duty under section 12301(d) of such  
22               title during a period when members are on active  
23               duty pursuant to any of the preceding sections; and

24               “(2) immediately before receiving the order to  
25               active duty—



1           “(A) was engaged in the furnishing of  
2           health-care or legal services or other services  
3           determined by the Secretary of Defense to be  
4           professional services; and

5           “(B) had in effect a professional liability  
6           insurance policy that does not continue to cover  
7           claims filed with respect to the servicemember  
8           during the period of the servicemember’s active  
9           duty unless the premiums are paid for such cov-  
10          erage for such period.

11          “(b) SUSPENSION OF COVERAGE.—

12           “(1)       SUSPENSION.—Coverage       of       a  
13          servicemember referred to in subsection (a) by a  
14          professional liability insurance policy shall be sus-  
15          pended by the insurance carrier in accordance with  
16          this subsection upon receipt of a written request  
17          from the servicemember, or the servicemember’s  
18          legal representative, by the insurance carrier.

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

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

1           “(B) shall refund any amount paid for cov-  
2           erage for the period of such suspension or, upon  
3           the election of such servicemember, apply such  
4           amount for the payment of any premium be-  
5           coming due upon the reinstatement of such cov-  
6           erage.

7           “(3) NONLIABILITY OF CARRIER DURING SUS-  
8           PENSION.—A professional liability insurance carrier  
9           shall not be liable with respect to any claim that is  
10          based on professional conduct (including any failure  
11          to take any action in a professional capacity) of a  
12          servicemember that occurs during a period of sus-  
13          pension of that servicemember’s professional liability  
14          insurance under this subsection.

15          “(4) CERTAIN CLAIMS CONSIDERED TO ARISE  
16          BEFORE SUSPENSION.—For the purposes of para-  
17          graph (3), a claim based upon the failure of a pro-  
18          fessional to make adequate provision for a patient,  
19          client, or other person to receive professional serv-  
20          ices or other assistance during the period of the pro-  
21          fessional’s active duty service shall be considered to  
22          be based on an action or failure to take action before  
23          the beginning of the period of the suspension of pro-  
24          fessional liability insurance under this subsection,  
25          except in a case in which professional services were

1 provided after the date of the beginning of such pe-  
2 riod.

3 “(c) REINSTATEMENT OF COVERAGE.—

4 “(1) REINSTATEMENT REQUIRED.—Profes-  
5 sional liability insurance coverage suspended in the  
6 case of any servicemember pursuant to subsection  
7 (b) shall be reinstated by the insurance carrier on  
8 the date on which that servicemember transmits to  
9 the insurance carrier a written request for reinstate-  
10 ment.

11 “(2) TIME AND PREMIUM FOR REINSTATE-  
12 MENT.—The request of a servicemember for rein-  
13 statement shall be effective only if the  
14 servicemember transmits the request to the insur-  
15 ance carrier within 30 days after the date on which  
16 the servicemember is released from active duty. The  
17 insurance carrier shall notify the servicemember of  
18 the due date for payment of the premium of such in-  
19 surance. Such premium shall be paid by the  
20 servicemember within 30 days after receipt of that  
21 notice.

22 “(3) PERIOD OF REINSTATED COVERAGE.—The  
23 period for which professional liability insurance cov-  
24 erage shall be reinstated for a servicemember under  
25 this subsection may not be less than the balance of

1 the period for which coverage would have continued  
2 under the insurance policy if the coverage had not  
3 been suspended.

4 “(d) INCREASE IN PREMIUM.—

5 “(1) LIMITATION ON PREMIUM INCREASES.—

6 An insurance carrier may not increase the amount  
7 of the premium charged for professional liability in-  
8 surance coverage of any servicemember for the min-  
9 imum period of the reinstatement of such coverage  
10 required under subsection (c)(3) to an amount  
11 greater than the amount chargeable for such cov-  
12 erage for such period before the suspension.

13 “(2) EXCEPTION.—Paragraph (1) does not pre-  
14 vent an increase in premium to the extent of any  
15 general increase in the premiums charged by that  
16 carrier for the same professional liability coverage  
17 for persons similarly covered by such insurance dur-  
18 ing the period of the suspension.

19 “(e) CONTINUATION OF COVERAGE OF UNAFFECTED  
20 PERSONS.—This section does not—

21 “(1) require a suspension of professional liabil-  
22 ity insurance protection for any person who is not a  
23 person referred to in subsection (a) and who is cov-  
24 ered by the same professional liability insurance as  
25 a person referred to in such subsection; or

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

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

5           “(1) STAY OF ACTIONS.—A civil or administra-  
6           tive action for damages on the basis of the alleged  
7           professional negligence or other professional liability  
8           of a servicemember whose professional liability in-  
9           surance coverage has been suspended under sub-  
10          section (b) shall be stayed until the end of the period  
11          of the suspension if—

12                   “(A) the action was commenced during the  
13                   period of the suspension;

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

17                   “(C) the suspended professional liability  
18                   insurance would, except for the suspension, on  
19                   its face cover the alleged professional negligence  
20                   or other professional liability negligence or  
21                   other professional liability of the  
22                   servicemember.

23           “(2) DATE OF COMMENCEMENT OF ACTION.—

24           Whenever a civil or administrative action for dam-  
25           ages is stayed under paragraph (1) in the case of

1       any servicemember, the action shall have been  
2       deemed to have been filed on the date on which the  
3       professional liability insurance coverage of the  
4       servicemember is reinstated under subsection (c).

5       “(g) EFFECT OF SUSPENSION UPON LIMITATIONS  
6 PERIOD.—In the case of a civil or administrative action  
7 for which a stay could have been granted under subsection  
8 (f) by reason of the suspension of professional liability in-  
9 surance coverage of the defendant under this section, the  
10 period of the suspension of the coverage shall be excluded  
11 from the computation of any statutory period of limitation  
12 on the commencement of such action.

13       “(h) DEATH DURING PERIOD OF SUSPENSION.—If  
14 a servicemember whose professional liability insurance  
15 coverage is suspended under subsection (b) dies during the  
16 period of the suspension—

17               “(1) the requirement for the grant or continu-  
18       ance of a stay in any civil or administrative action  
19       against such servicemember under subsection (f)(1)  
20       shall terminate on the date of the death of such  
21       servicemember; and

22               “(2) the carrier of the professional liability in-  
23       surance so suspended shall be liable for any claim  
24       for damages for professional negligence or other pro-  
25       fessional liability of the deceased servicemember in

1 the same manner and to the same extent as such  
2 carrier would be liable if the servicemember had died  
3 while covered by such insurance but before the claim  
4 was filed.

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

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

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

10 “(3) The term ‘professional’ includes occupa-  
11 tional.

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

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

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

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

23 “(b) NO EXCLUSION OR WAITING PERIOD.—The re-  
24 instatement of health care insurance coverage for the  
25 health or physical condition of a servicemember described

1 in subsection (a), or any other person who is covered by  
2 the insurance by reason of the coverage of the  
3 servicemember, shall not be subject to an exclusion or a  
4 waiting period, if—

5 “(1) the condition arose before or during the  
6 period of such service;

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

10 “(3) if the condition relates to the  
11 servicemember, the condition has not been deter-  
12 mined by the Secretary of Veterans Affairs to be a  
13 disability incurred or aggravated in the line of duty  
14 (within the meaning of section 105 of title 38,  
15 United States Code).

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

20 **“SEC. 705. GUARANTEE OF RESIDENCY FOR MILITARY PER-**  
21 **SONNEL.**

22 “For the purposes of voting for any Federal office  
23 (as defined in section 301 of the Federal Election Cam-  
24 paign Act of 1971 (2 U.S.C. 431)) or a State or local  
25 office, a person who is absent from a State in compliance



1 with military or naval orders shall not, solely by reason  
2 of that absence—

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

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

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

10 **SEC. 2. CONFORMING AMENDMENTS.**

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

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

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

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

21 (A) in paragraph (1), by striking “provided  
22 by the Soldiers’ and Sailors’ Civil Relief Act of  
23 1940” and all that follows through “of such  
24 Act” and inserting “provided by the  
25 Servicemembers’ Civil Relief Act , including the

1           benefits provided by section 702 of such Act  
2           but excluding the benefits provided by sections  
3           104 and 106, title IV, and title V (other than  
4           sections 501 and 510) of such Act”; and

5                   (B) in paragraph (2), by striking “person  
6           in the military service” and inserting  
7           “servicemember.”

8           (c) TITLE 10, UNITED STATES CODE.—Section  
9   1408(b)(1)(D) of title 10, United States Code, is amended  
10 by striking “Soldiers’ and Sailors’ Civil Relief Act of  
11 1940” and inserting “Servicemembers’ Civil Relief Act.”

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

16          (e) PUBLIC LAW 91–621.—Section 3(a)(3) of Public  
17 Law 91–621 (33 U.S.C. 857–3(a)(3)) is amended by  
18 striking “Soldiers’ and Sailors’ Civil Relief Act of 1940,  
19 as amended” and inserting “Servicemembers’ Civil Relief  
20 Act.”

21          (f) PUBLIC HEALTH SERVICE ACT.—Section 212(e)  
22 of the Public Health Service Act (42 U.S.C. 213(e)) is  
23 amended by striking “Soldiers’ and Sailors’ Civil Relief  
24 Act of 1940” and inserting “Servicemembers’ Civil Relief  
25 Act.”

1       (g) ELEMENTARY AND SECONDARY EDUCATION ACT  
2 OF 1965.—Section 8001 of the Elementary and Secondary  
3 Education Act of 1965 (20 U.S.C. 7701) is amended by  
4 striking “section 514 of the Soldiers’ and Sailors’ Civil  
5 Relief Act of 1940 (50 U.S.C. App. 574)” and inserting  
6 “section 511 of the Servicemembers’ Civil Relief Act.”

7 **SEC. 3. EFFECTIVE DATE.**

8       The amendment made by section 1 shall apply to any  
9 case decided after the date of the enactment of this Act.

○