

108TH CONGRESS  
1ST SESSION

# H. R. 3357

To amend the Soldiers' and Sailors' Civil Relief Act of 1940 to provide protections to members of the Armed Forces who terminate certain consumer contracts and real estate residential purchase contracts entered into before permanent change of station or deployment orders or motor vehicle leases entered into before military service.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 2003

Mr. GIBBONS (for himself, Mr. WYNN, Mr. BEREUTER, and Mr. NORWOOD) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To amend the Soldiers' and Sailors' Civil Relief Act of 1940 to provide protections to members of the Armed Forces who terminate certain consumer contracts and real estate residential purchase contracts entered into before permanent change of station or deployment orders or motor vehicle leases entered into before military service.

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

1     **SECTION 1. TERMINATION OF RESIDENTIAL PURCHASE**  
2                   **CONTRACTS AND CERTAIN CONSUMER CON-**  
3                   **TRACTS.**

4     Article III of the Soldiers' and Sailors' Civil Relief  
5     Act of 1940 (50 U.S.C. App. 530 et seq.) is amended by  
6     adding at the end the following new section:

7     **“SEC. 307. TERMINATION BY SERVICEMEMBERS OF RESI-**  
8                   **DENTIAL PURCHASE CONTRACTS AND CER-**  
9                   **TAIN CONSUMER CONTRACTS ENTERED INTO**  
10                   **BEFORE MILITARY SERVICE OR BEFORE PER-**  
11                   **MANENT CHANGE OF STATION OR DEPLOY-**  
12                   **MENT ORDERS.**

13       “(a) TERMINATION BY SERVICEMEMBER.—A person  
14     in military service who is a party to a contract described  
15     in subsection (b) may, at the person's option, terminate  
16     the contract at any time after—

17               “(1) the date of the entry of the person into  
18     military service; or

19               “(2) the date of the military orders of the per-  
20     son described in paragraph (1)(B) or (2)(B) of sub-  
21     section (b), as the case may be.

22       “(b) COVERED CONTRACTS.—This section applies to  
23     the following contracts:

24               “(1) LEASES OF MOTOR VEHICLES.—A lease of  
25     a motor vehicle used, or intended to be used, by the

1       lessee (or dependents of the lessee) for personal or  
2       business transportation if—

3               “(A) the lease is executed by or on behalf  
4               of a person who thereafter and during the term  
5               of the lease enters military service (or receives  
6               order to enter military service) under a call or  
7               order specifying a period of not less than 90  
8               days (or who enters military service under a call  
9               or order specifying a period of 90 days or less  
10               and who, without a break in service, receives or-  
11               ders extending the period of military service to  
12               a period of not less than 90 days); or

13               “(B) the lessee, while in military service,  
14               executes the lease and thereafter receives mili-  
15               tary orders for a permanent change of station  
16               outside of the continental United States or to  
17               deploy with a military unit for a period of not  
18               less than 90 days.

19       “(2) TELECOMMUNICATIONS CONTRACTS.—A  
20       telecommunications contract for cellular phone serv-  
21       ice, cable or satellite television service, or internet  
22       service if—

23               “(A) the contract is executed by or on be-  
24               half of a person who thereafter and during the  
25               term of the contract enters military service (or

1 receives order to enter military service)under a  
2 call or order specifying a period of not less than  
3 90 days (or who enters military service under a  
4 call or order specifying a period of 90 days or  
5 less and who, without a break in service, re-  
6 ceives orders extending the period of military  
7 service to a period of not less than 90 days); or

8                 “(B) the person enters into the contract  
9 while in military service and thereafter receives  
10 military orders for a permanent change of sta-  
11 tion outside of the continental United States, or  
12 to deploy with a military unit for a period of  
13 not less than 90 days, to a location that does  
14 not support continuation of the service under  
15 the contract.

16                 “(3) CONTRACT FOR PURCHASE OF RESI-  
17 DENCE.—A contract for the purchase of real prop-  
18 erty occupied, or intended to be occupied, by a per-  
19 son (or dependents of a person) for a residential  
20 purpose if before the contract is closed the person  
21 who executed the contract—

22                 “(A) enters military service or receives or-  
23 ders to enter military service; or

1                   “(B) receives orders for a permanent  
2                   change of station or to deploy with a military  
3                   unit for a period of not less than 90 days.

4                   “(c) MANNER OF TERMINATION.—

5                   “(1) IN GENERAL.—Termination of a contract  
6                   under subsection (a) is made—

7                   “(A) by delivery by the person in military  
8                   service of written notice of such termination to  
9                   the other party to the contract (or that person's  
10                   grantee or agent); and

11                   “(B) in the case of a lease of a motor vehicle,  
12                   by return of the motor vehicle by the lessee  
13                   to the lessor not later than 10 days after the  
14                   date of the delivery of notice under subparagraph  
15                   (A).

16                   “(2) NATURE OF NOTICE.—Delivery of notice  
17                   under paragraph (1)(A) may be accomplished—

18                   “(A) by hand delivery;

19                   “(B) by private business carrier; or

20                   “(C) by placing the written notice in an  
21                   envelope with sufficient postage and with return  
22                   receipt requested, and addressed as designated  
23                   by the party to be notified (or that party's  
24                   grantee or agent), and depositing the written  
25                   notice in the United States mails.

1       “(d) EFFECTIVE DATE OF CONTRACT TERMINATION.—

3           “(1) LEASE OF MOTOR VEHICLES.—In the case  
4       of a contract described in subsection (b)(1), termina-  
5       tion of the lease under subsection (a) is effective  
6       on the day on which the requirements of subsection  
7       (c) are met for such termination.

8           “(2) OTHER CONTRACTS.—In the case of a con-  
9       tract described in subsection (b)(2) or (b)(3) termina-  
10       tion of the contract is effective on the day on  
11       which the notice is delivered.

12       “(e) ARREARAGES AND OTHER OBLIGATIONS AND  
13       LIABILITIES.—In the case of a contract described in sub-  
14       section (b)(1) or (b)(2), contract amounts unpaid for the  
15       period preceding the effective date of the contract termi-  
16       nation shall be paid on a prorated basis. In the case of  
17       the lease of a motor vehicle, the lessor may not impose  
18       an early termination charge, but any taxes, summonses,  
19       and title and registration fees and any other obligation  
20       and liability of the lessee in accordance with the terms  
21       of the lease, including reasonable charges to the lessee for  
22       excess wear, use and mileage, that are due and unpaid  
23       at the time of termination of the lease shall be paid by  
24       the lessee.

1       “(f) REFUND OF LEASE AMOUNTS PAID IN AD-  
2 VANCE.—Lease amounts paid in advance for a period after  
3 the effective date of the termination of the lease shall be  
4 refunded to the lessee by the lessor (or the lessor’s as-  
5 signee or the assignee’s agent).

6       “(g) RELIEF TO LESSOR.—Upon application by the  
7 other party to the contract to a court before the termi-  
8 nation date provided in the written notice, relief granted  
9 by this section to a person in military service may be modi-  
10 fied as justice and equity require.

11       “(h) PENALTIES.—

12       “(1) MISDEMEANOR.—Any person who know-  
13 ingly seizes, holds, or detains the personal effects,  
14 security deposit, or other property of a person in  
15 military service (or of a dependent of a person in  
16 military service) who lawfully terminates a contract  
17 covered by this section, or who knowingly interferes  
18 with the removal of such property from premises  
19 covered by such contract, for the purpose of sub-  
20 jecting or attempting to subject any of such property  
21 to a claim for contract payments accruing subse-  
22 quent to the date of termination of such lease, or at-  
23 tempts to do so, shall be fined as provided in title  
24 18, United States Code, or imprisoned for not more  
25 than one year, or both.

## 1           “(2) PRESERVATION OF OTHER REMEDIES.—

2       The remedy 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 any award for consequential or punitive  
7       damages.”.

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