

of any substantive or procedural defense (including a defense relating to lack of personal jurisdiction).

**(d) Additional stay**

**(1) Application**

A servicemember who is granted a stay of a civil action or proceeding under subsection (b) may apply for an additional stay based on continuing material affect of military duty on the servicemember's ability to appear. Such an application may be made by the servicemember at the time of the initial application under subsection (b) or when it appears that the servicemember is unavailable to prosecute or defend the action. The same information required under subsection (b)(2) shall be included in an application under this subsection.

**(2) Appointment of counsel when additional stay refused**

If the court refuses to grant an additional stay of proceedings under paragraph (1), the court shall appoint counsel to represent the servicemember in the action or proceeding.

**(e) Coordination with section 201**

A servicemember who applies for a stay under this section and is unsuccessful may not seek the protections afforded by section 201 [section 521 of this Appendix].

**(f) Inapplicability to section 301**

The protections of this section do not apply to section 301 [section 531 of this Appendix].

(Oct. 17, 1940, ch. 888, title II, § 202, as added Pub. L. 108-189, § 1, Dec. 19, 2003, 117 Stat. 2842; amended Pub. L. 108-454, title VII, § 703, Dec. 10, 2004, 118 Stat. 3624; Pub. L. 110-181, div. A, title V, § 584(b), Jan. 28, 2008, 122 Stat. 128.)

PRIOR PROVISIONS

A prior section 522, act Oct. 17, 1940, ch. 888, art. II, § 202, 54 Stat. 1181, related to fines and penalties on contracts, prior to the general amendment of this Act by Pub. L. 108-189. See section 523 of this Appendix.

AMENDMENTS

2008—Subsec. (a). Pub. L. 110-181 inserted “, including any child custody proceeding;” after “civil action or proceeding” in introductory provisions.

2004—Subsec. (a). Pub. L. 108-454 inserted “plaintiff or” before “defendant” in introductory provisions.

STAY OF JUDICIAL PROCEEDINGS

Pub. L. 102-12, § 6, Mar. 18, 1991, 105 Stat. 37, provided that:

“(a) STAY OF ACTION OR PROCEEDING.—In any judicial action or proceeding (other than a criminal proceeding) in which a member of the Armed Forces described in subsection (b) is involved (either as plaintiff or defendant), the court shall, upon application by such member (or some other person on the member's behalf) at any stage before final judgment is entered, stay the action or proceeding until a date after June 30, 1991.

“(b) MEMBERS COVERED.—A member of the Armed Forces is covered by subsection (a) if at the time of application for the stay of a judicial action or proceeding the member—

“(1) is on active duty; and

“(2) is serving outside the State in which the court having jurisdiction over the action or proceeding is located.

“(c) DEFINITION.—For purposes of this section, the term ‘State’ includes the District of Columbia, the

Commonwealth of Puerto Rico, the Virgin Islands, and Guam.”

**§ 523. Fines and penalties under contracts**

**(a) Prohibition of penalties**

When an action for compliance with the terms of a contract is stayed pursuant to this Act [sections 501 to 515 and 516 to 597b of this Appendix], a penalty shall not accrue for failure to comply with the terms of the contract during the period of the stay.

**(b) Reduction or waiver of fines or penalties**

If a servicemember fails to perform an obligation arising under a contract and a penalty is incurred arising from that nonperformance, a court may reduce or waive the fine or penalty if—

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

(2) the ability of the servicemember to perform the obligation was materially affected by such military service.

(Oct. 17, 1940, ch. 888, title II, § 203, as added Pub. L. 108-189, § 1, Dec. 19, 2003, 117 Stat. 2843.)

PRIOR PROVISIONS

A prior section 523, act Oct. 17, 1940, ch. 888, art. II, § 203, 54 Stat. 1181, related to stay or vacation of execution of judgments and attachments, prior to the general amendment of this Act by Pub. L. 108-189. See section 524 of this Appendix.

**§ 524. Stay or vacation of execution of judgments, attachments, and garnishments**

**(a) Court action upon material affect determination**

If a servicemember, in the opinion of the court, is materially affected by reason of military service in complying with a court judgment or order, the court may on its own motion and shall on application by the servicemember—

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

(2) vacate or stay an attachment or garnishment of property, money, or debts in the possession of the servicemember or a third party, whether before or after judgment.

**(b) Applicability**

This section applies to an action or proceeding commenced in a court against a servicemember before or during the period of the servicemember's military service or within 90 days after such service terminates.

(Oct. 17, 1940, ch. 888, title II, § 204, as added Pub. L. 108-189, § 1, Dec. 19, 2003, 117 Stat. 2843.)

PRIOR PROVISIONS

A prior section 524, act Oct. 17, 1940, ch. 888, art. II, § 204, 54 Stat. 1181, related to duration and term of stays and codefendants not in service, prior to the general amendment of this Act by Pub. L. 108-189. See section 525 of this Appendix.

**§ 525. Duration and term of stays; codefendants not in service**

**(a) Period of stay**

A stay of an action, proceeding, attachment, or execution made pursuant to the provisions of

this Act [sections 501 to 515 and 516 to 597b of this Appendix] by a court may be ordered for the period of military service and 90 days thereafter, or for any part of that period. The court may set the terms and amounts for such installment payments as is considered reasonable by the court.

**(b) Codefendants**

If the servicemember is a codefendant with others who are not in military service and who are not entitled to the relief and protections provided under this Act [sections 501 to 515 and 516 to 597b of this Appendix], the plaintiff may proceed against those other defendants with the approval of the court.

**(c) Inapplicability of section**

This section does not apply to sections 202 and 701 [sections 522 and 591 of this Appendix].

(Oct. 17, 1940, ch. 888, title II, §205, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2844.)

PRIOR PROVISIONS

A prior section 525, acts Oct. 17, 1940, ch. 888, art. II, §205, 54 Stat. 1181; Oct. 6, 1942, ch. 581, §5, 56 Stat. 770; Pub. L. 102-12, §9(6), Mar. 18, 1991, 105 Stat. 39, related to statutes of limitations as affected by period of service, prior to the general amendment of this Act by Pub. L. 108-189. See section 526 of this Appendix.

**§ 526. Statute of limitations**

**(a) Tolling of statutes of limitation during military service**

The period of a servicemember's military service may not be included in computing any period limited by law, regulation, or order for the bringing of any action or proceeding in a court, or in any board, bureau, commission, department, or other agency of a State (or political subdivision of a State) or the United States by or against the servicemember or the servicemember's heirs, executors, administrators, or assigns.

**(b) Redemption of real property**

A period of military service may not be included in computing any period provided by law for the redemption of real property sold or forfeited to enforce an obligation, tax, or assessment.

**(c) Inapplicability to internal revenue laws**

This section does not apply to any period of limitation prescribed by or under the internal revenue laws of the United States.

(Oct. 17, 1940, ch. 888, title II, §206, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2844.)

REFERENCES IN TEXT

The internal revenue laws of the United States, referred to in subsec. (c), are classified generally to Title 26, Internal Revenue Code.

PRIOR PROVISIONS

A prior section 526, act Oct. 17, 1940, ch. 888, art. II, §206, as added Oct. 6, 1942, ch. 581, §6, 56 Stat. 771; amended Pub. L. 102-12, §9(7), Mar. 18, 1991, 105 Stat. 39, related to maximum rate of interest, prior to the general amendment of this Act by Pub. L. 108-189. See section 527 of this Appendix.

**§ 527. Maximum rate of interest on debts incurred before military service**

**(a) Interest rate limitation**

**(1) Limitation to 6 percent**

An obligation or liability bearing interest at a rate in excess of 6 percent per year that is incurred by a servicemember, or the servicemember and the servicemember's spouse jointly, before the servicemember enters military service shall not bear interest at a rate in excess of 6 percent—

(A) during the period of military service and one year thereafter, in the case of an obligation or liability consisting of a mortgage, trust deed, or other security in the nature of a mortgage; or

(B) during the period of military service, in the case of any other obligation or liability.

**(2) Forgiveness of interest in excess of 6 percent**

Interest at a rate in excess of 6 percent per year that would otherwise be incurred but for the prohibition in paragraph (1) is forgiven.

**(3) Prevention of acceleration of principal**

The amount of any periodic payment due from a servicemember under the terms of the instrument that created an obligation or liability covered by this section shall be reduced by the amount of the interest forgiven under paragraph (2) that is allocable to the period for which such payment is made.

**(b) Implementation of limitation**

**(1) Written notice to creditor**

In order for an obligation or liability of a servicemember to be subject to the interest rate limitation in subsection (a), the servicemember shall provide to the creditor written notice and a copy of the military orders calling the servicemember to military service and any orders further extending military service, not later than 180 days after the date of the servicemember's termination or release from military service.

**(2) Limitation effective as of date of order to active duty**

Upon receipt of written notice and a copy of orders calling a servicemember to military service, the creditor shall treat the debt in accordance with subsection (a), effective as of the date on which the servicemember is called to military service.

**(c) Creditor protection**

A court may grant a creditor relief from the limitations of this section if, in the opinion of the court, the ability of the servicemember to pay interest upon the obligation or liability at a rate in excess of 6 percent per year is not materially affected by reason of the servicemember's military service.

**(d) Definitions**

In this section:

**(1) Interest**

The term "interest" includes service charges, renewal charges, fees, or any other