

PRIOR PROVISIONS

A prior section 301 of act Oct. 17, 1940, ch. 888, art. III, 54 Stat. 1182; Oct. 6, 1942, ch. 581, §9(a), (c), (d), 56 Stat. 771; Pub. L. 102-12, §9(9), Mar. 18, 1991, 105 Stat. 40, related to installment contracts for purchase of property, prior to the general amendment of this Act by Pub. L. 108-189. See section 3952 of this title.

Provisions similar to this section were contained in section 300 of act Oct. 17, 1940, ch. 888, art. III, 54 Stat. 1181; Oct. 6, 1942, ch. 581, §8, 56 Stat. 771; Pub. L. 89-358, §10, Mar. 3, 1966, 80 Stat. 28; Pub. L. 102-12, §§2(a), (b), 9(8), Mar. 18, 1991, 105 Stat. 34, 39, prior to the general amendment of this Act by Pub. L. 108-189.

AMENDMENTS

2010—Subsec. (c). Pub. L. 111-275 amended subsec. (c) generally. Prior to amendment, subsec. (c) related to penalties.

§ 3952. Protection under installment contracts for purchase or lease

(a) Protection upon breach of contract

(1) Protection after entering military service

After a servicemember enters military service, a contract by the servicemember for—

- (A) the purchase of real or personal property (including a motor vehicle); or
- (B) the lease or bailment of such property,

may not be rescinded or terminated for a breach of terms of the contract occurring before or during that person's military service, nor may the property be repossessed for such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

(2) Applicability

This section applies only to a contract for which a deposit or installment has been paid by the servicemember before the servicemember enters military service.

(b) Misdemeanor

A person who knowingly resumes possession of property in violation of subsection (a), or in violation of section 3918 of this title, or who knowingly attempts to do so, shall be fined as provided in title 18, or imprisoned for not more than one year, or both.

(c) Authority of court

In a hearing based on this section, the court—

(1) may order repayment to the servicemember of all or part of the prior installments or deposits as a condition of terminating the contract and resuming possession of the property;

(2) may, on its own motion, and shall on application by a servicemember when the servicemember's ability to comply with the contract is materially affected by military service, stay the proceedings for a period of time as, in the opinion of the court, justice and equity require; or

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

(Oct. 17, 1940, ch. 888, title III, §302, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2846; amended Pub. L. 111-275, title III, §303(b)(3), Oct. 13, 2010, 124 Stat. 2878.)

CODIFICATION

Section was formerly classified to section 532 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 302 of act Oct. 17, 1940, ch. 888, art. III, 54 Stat. 1182; Oct. 6, 1942, ch. 581, §§9(b), (c), 10, 56 Stat. 771, 772; June 23, 1952, ch. 450, 66 Stat. 151; Pub. L. 102-12, §9(9), (10), Mar. 18, 1991, 105 Stat. 40, related to mortgages and trust deeds, prior to the general amendment of this Act by Pub. L. 108-189. See section 3953 of this title.

AMENDMENTS

2010—Subsec. (b). Pub. L. 111-275 amended subsec. (b) generally. Prior to amendment, subsec. (b) related to penalties.

§ 3953. Mortgages and trust deeds

(a) Mortgage as security

This section applies only to an obligation on real or personal property owned by a servicemember that—

- (1) originated before the period of the servicemember's military service and for which the servicemember is still obligated; and
- (2) is secured by a mortgage, trust deed, or other security in the nature of a mortgage.

(b) Stay of proceedings and adjustment of obligation

In an action filed during, or within one year after, a servicemember's period of military service to enforce an obligation described in subsection (a), the court may after a hearing and on its own motion and shall upon application by a servicemember when the servicemember's ability to comply with the obligation is materially affected by military service—

- (1) stay the proceedings for a period of time as justice and equity require, or
- (2) adjust the obligation to preserve the interests of all parties.

(c) Sale or foreclosure

A sale, foreclosure, or seizure of property for a breach of an obligation described in subsection (a) shall not be valid if made during, or within one year after, the period of the servicemember's military service except—

- (1) upon a court order granted before such sale, foreclosure, or seizure with a return made and approved by the court; or
- (2) if made pursuant to an agreement as provided in section 3918 of this title.

(d) Misdemeanor

A person who knowingly makes or causes to be made a sale, foreclosure, or seizure of property that is prohibited by subsection (c), or who knowingly attempts to do so, shall be fined as provided in title 18, or imprisoned for not more than one year, or both.

(Oct. 17, 1940, ch. 888, title III, §303, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2847; amended Pub. L. 110-289, div. B, title II, §2203(a), July 30, 2008, 122 Stat. 2849; Pub. L. 111-275, title III, §303(b)(4), Oct. 13, 2010, 124 Stat. 2878; Pub. L. 112-154, title VII, §710(a), (b), (d)(3), Aug. 6, 2012, 126 Stat. 1208.)

AMENDMENT OF SUBSECTIONS (b) AND (c)

For termination of amendment and revival of prior provisions by section 710(d)(1), (3) of Pub. L. 112-154, see Effective and Termination Dates of 2012 Amendment; Revival notes below.

CODIFICATION

Section was formerly classified to section 533 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 303 of act Oct. 17, 1940, ch. 888, art. III, as added Oct. 6, 1942, ch. 581, §12, 56 Stat. 772, related to settlement of cases involving stayed proceedings to foreclose mortgage on, resume possession of, or terminate contract for purchase of, personal property, prior to the general amendment of this Act by Pub. L. 108-189. See section 3954 of this title.

Another prior section 303 of act Oct. 17, 1940, ch. 888, art. III, 54 Stat. 1183, related to stay of action to resume possession of motor vehicle, tractor, or their accessories, encumbered by purchase money mortgage, conditional sales contract, etc., prior to repeal by act Oct. 6, 1942, ch. 581, §11, 56 Stat. 772.

AMENDMENTS

2012—Subsecs. (b), (c). Pub. L. 112-154, §710(d)(3), as amended, revived the provisions of subsecs. (b) and (c) as in effect on July 29, 2008. Effective Jan. 1, 2016, “within 90 days” is substituted for “within one year” in introductory provisions. See Effective and Termination Dates of 2012 Amendment; Revival note below.

Pub. L. 112-154, §710(a), (b), (d)(1), temporarily substituted “within one year” for “within 9 months” in introductory provisions. See Effective and Termination Dates of 2012 Amendment; Revival note below.

2010—Subsec. (d). Pub. L. 111-275 amended subsec. (d) generally. Prior to amendment, subsec. (d) related to penalties.

2008—Subsecs. (b), (c). Pub. L. 110-289 substituted “9 months” for “90 days” in introductory provisions.

EFFECTIVE AND TERMINATION DATES OF 2012
AMENDMENT; REVIVAL

Pub. L. 112-154, title VII, §710(c), Aug. 6, 2012, 126 Stat. 1208, provided that: “The amendments made by subsections (a) and (b) [amending this section] shall take effect on the date that is 180 days after the date of the enactment of this Act [Aug. 6, 2012].”

Pub. L. 112-154, title VII, §710(d)(1), Aug. 6, 2012, 126 Stat. 1208, as amended by Pub. L. 113-286, §2(1), Dec. 18, 2014, 128 Stat. 3093, provided that: “The amendments made by subsections (a) and (b) [amending this section] shall expire on December 31, 2015.”

Pub. L. 112-154, title VII, §710(d)(3), Aug. 6, 2012, 126 Stat. 1208, as amended by Pub. L. 113-286, §2(2), Dec. 18, 2014, 128 Stat. 3093, provided that: “Effective January 1, 2016, the provisions of subsections (b) and (c) of section 303 of the Servicemembers Civil Relief Act (50 U.S.C. App. 533) [now 50 U.S.C. 3953], as in effect on July 29, 2008, are hereby revived.”

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-289, div. B, title II, §2203(c), July 30, 2008, 122 Stat. 2850, as amended by Pub. L. 111-346, §2, Dec. 29, 2010, 124 Stat. 3622; Pub. L. 112-154, title VII, §710(d)(2), Aug. 6, 2012, 126 Stat. 1208, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on the date of the enactment of this Act [July 30, 2008].”

§ 3954. Settlement of stayed cases relating to personal property**(a) Appraisal of property**

When a stay is granted pursuant to this chapter in a proceeding to foreclose a mortgage on or to repossess personal property, or to rescind or terminate a contract for the purchase of personal property, the court may appoint three disinterested parties to appraise the property.

(b) Equity payment

Based on the appraisal, and if undue hardship to the servicemember’s dependents will not re-

sult, the court may order that the amount of the servicemember’s equity in the property be paid to the servicemember, or the servicemember’s dependents, as a condition of foreclosing the mortgage, repossessing the property, or rescinding or terminating the contract.

(Oct. 17, 1940, ch. 888, title III, §304, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2848.)

CODIFICATION

Section was formerly classified to section 534 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

PRIOR PROVISIONS

A prior section 304 of act Oct. 17, 1940, ch. 888, art. III, as added Oct. 6, 1942, ch. 581, §12, 56 Stat. 772; amended Pub. L. 102-12, §9(9), Mar. 18, 1991, 105 Stat. 40, related to termination of leases by lessees, prior to the general amendment of this Act by Pub. L. 108-189. See section 3955 of this title.

§ 3955. Termination of residential or motor vehicle leases**(a) Termination by lessee****(1) In general**

The lessee on a lease described in subsection (b) may, at the lessee’s option, terminate the lease at any time after—

(A) the lessee’s entry into military service;

or

(B) the date of the lessee’s military orders described in paragraph (1)(B) or (2)(B) of subsection (b), as the case may be.

(2) Joint leases

A lessee’s termination of a lease pursuant to this subsection shall terminate any obligation a dependent of the lessee may have under the lease.

(b) Covered leases

This section applies to the following leases:

(1) Leases of premises

A lease of premises occupied, or intended to be occupied, by a servicemember or a servicemember’s dependents for a residential, professional, business, agricultural, or similar purpose if—

(A) the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service; or

(B) the servicemember, while in military service, executes the lease and thereafter receives military orders for a permanent change of station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 90 days.

(2) Leases of motor vehicles

A lease of a motor vehicle used, or intended to be used, by a servicemember or a servicemember’s dependents for personal or business transportation if—

(A) the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service under a call or order specifying a period of not less than 180 days (or who enters military service under a call or order specifying a period of