

7300. MILITARY PERSONNEL LOANS

TABLE OF CONTENTS

Purpose/Policy Statement..... 1
Compliance 1

Purpose/Policy Statement

The Service members Civil Relief Act of 2003 (“SCRA” or “the Act”) was created to “restate, clarify, and revise” the Soldiers and Sailors Civil Relief Act of 1940 and further the interests of the national defense. Resource One Credit Union (“Resource One CU” or “the credit union”) recognizes the need to aid individuals whose ability to repay previously incurred debt is impaired by going on active military duty and will facilitate this through compliance with all aspects of SCRA.

Compliance

1. Throughout the period of active military duty of a member, Resource One CU will implement and follow requirements subject to **50 U.S.C. App. § 527 - 596** to include:
 - A rate cap and forgiveness of excess interest on specified loans and credit accounts;
 - Relief for qualifying dependents and co-obligors as provided for the service member, with specific exceptions.

2. Following a request for rate reduction under the Act, the Credit Union may require:
 - written notice no later than 180 days after termination or release from service;
 - copy of active duty orders;
 - any orders extending military service.

3. Regarding loans and credit, Resource One CU may:
 - (with the service member) renegotiate the original loan contract rather than use the reduced rate in the Act, during or after the period of active duty;
 - freeze a line of credit or terminate an open-end plan if:
 - original agreement provides for such action, and;
 - it believes the borrower will not be able to repay the debt;
 - challenge a request for reduction if there is a belief that military duty has no material effect on ability to pay debt, providing evidence of such to the courts;
 - ask a co-maker to waive SCRA benefits if the waiver is in writing and executed as a separate instrument.

4. Pursuant to the Act, the Credit Union will:
- obtain a court order prior to collection action on personal or real property
 - not impose eviction on service members and their families due to nonpayment of rents, unless by Court order;
 - refrain from making credit and other decisions based solely on the exercise of rights under the Act;
 - follow procedures for obtaining proceeds in any situation where rights to such under an insurance policy is assigned (prior to active service) as loan collateral;
 - observe the application of automatic stays to installment contracts (mortgage, deed of trust, installment loans) to include sureties, guarantors, endorsers, and accommodation makers of a member of the military.

INDEX

Compliance	1
Purpose/Policy Statement	1