

**[Name and Address of Service Member]**

**[Date]**

**[Name and Address of Creditor]**

Re: SCRA Interest Rate Reduction for Acct # **[fill in account number]**

Dear Sir/Ma'am:

I have been placed on active duty with the Armed Forces of the United States effective **[fill in date placed on active duty]** and I am requesting that my monthly obligation, including payments and interest on my account, be reduced pursuant to my rights under the Servicemembers Civil Relief Act (SCRA), 50 U.S.C. §3901 et seq.

My military service materially affects my ability to meet this obligation, which I incurred prior to active duty. I have attached a copy of my military orders for your file.

The SCRA (50 U.S.C. §3937) sets a 6% per annum ceiling on interest charges (including service charges, renewal charges, and fees) during the period of a service member's military service for obligations made before the entry into active duty when the active duty materially affects the ability to pay. Thus, under the law, the balance of my obligation may not have interest charged at a rate greater than 6% per annum and any interest above 6% must be forgiven and not accrued. Note that compliance with this law is mandatory upon the creditor once the service member makes a request. Failure to comply with such a request can subject the creditor to damages and penalties.

Please ensure that your records are amended to reflect that my obligation has been reduced to no more than the statutory maximum rate of 6% and that any charge in excess is withdrawn. Finally, please be advised that you may not repossess for non-payment of an installment obligation without first complying with the provisions of the SCRA.

Thank you in advance for your attention and prompt action to this matter. Should there be any questions, please feel free to contact me at **[your phone number or the number of someone holding a power of attorney to handle this matter]**.

Sincerely,

**[Signature]**

**[Printed Name of Service Member]**

Enclosure:  
Military Orders