



ASA DIX LEGAL BRIEF

A PREVENTIVE LAW SERVICE OF THE JOINT READINESS CENTER LEGAL SECTION
UNITED STATES ARMY SUPPORT ACTIVITY DIX
KEEPING YOU INFORMED ON YOUR PERSONAL LEGAL NEEDS

SERVICEMEMBERS CIVIL RELIEF ACT LEASE TERMINATION

Q: WHO MAY TERMINATE A REAL PROPERTY LEASE?

A: The Servicemembers Civil Relief Act (SCRA), 50 U.S.C. App. Section 535, provides relief to service members in the termination of real property leases. Active duty service members, who receive military orders for a permanent change of station (PCS) or deployment orders, for not less than 90 days, may terminate their real property lease. Military members entering active duty service for the first time may also lawfully terminate their real property lease. Activated Reservists and National Guardsmen (when serving in federal active duty or under certain circumstances, when serving in state active duty) are also entitled to terminate their real property lease if the lease was entered into prior to active duty. While a service member is usually concerned with the termination of a residential lease, the protection offered under the SCRA extends to other types of leases. Specifically, the SCRA applies to “a lease of premises occupied, or intended to be occupied, by a service member or a service member’s dependents for a residential, professional, business, agricultural or similar purpose”.

Q: HOW CAN I TERMINATE A REAL PROPERTY LEASE?

A: To terminate a real property lease under Section 535 of the SCRA, a specific procedure must be followed. The service member must deliver a written notice of termination to the landlord, along with a copy of military orders. This notice may be delivered by hand, private business carrier, or mailed, return receipt requested, to the address designated by the landlord. Once proper notification has been provided to the landlord, the effective date of termination for a property lease that requires monthly payments of rent is 30 days after the first date on which the next rental payment is due. For example, assuming Sgt. Jane, who pays rent on the first of each month, provides proper notice of termination to her landlord under the SCRA on the 5th of December, then the effective date of termination is the 1st of February. The effective date for leases not requiring monthly payments of rent is the last day of the month following the month in which the notice is delivered. For example, assuming Sgt. Jane provides proper notice of termination to her landlord under the SCRA on the 5th of December, then the effective date of termination is the 31st of January.

Q: WHO MAY TERMINATE A MOTOR VEHICLE LEASE?

A: Active duty service members, who enter into “a lease of a motor vehicle used, or intended to be used, by a service member or a service member’s dependents for personal or business transportation”, may terminate their motor vehicle leases. The lease can be terminated if the service member receives “military orders for a permanent change of station (PCS) outside of the continental United States or deployment orders for not less than 180 days”. Activated Reservists and certain National Guardsmen, as previously qualified above, can also terminate their motor vehicle leases, if the lease was entered into prior to active duty. In this situation, the service member must receive orders to active duty for at least 180 continuous days.

Q: HOW CAN I TERMINATE A MOTOR VEHICLE LEASE?

A: As with the termination of real property leases, the service member must deliver a written notice of termination to the lessor (vehicle leasing company), along with a copy of military orders. This notification is

also to be delivered by hand, private business carrier, or mailed, return receipt requested, to the address designated by the lessor. The service member must then return the motor vehicle to the lessor within 15 days of the date of delivery of the termination notice. The lease is effectively terminated once a proper termination notice is delivered to the lessor and the motor vehicle is returned within the appropriate time frame.

Q: MAY CHARGES BE IMPOSED FOR BREAKING A MOTOR VEHICLE LEASE?

A: For motor vehicle leases, “the lessor may not impose an early termination charge, but any taxes, summonses, and title and registration fees and any other obligation and liability of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, use and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee”.

Q: WHAT HAPPENS TO ANY LEASE AMOUNTS I PAID IN ADVANCE?

A: With regards to both real property and motor vehicle lease terminations, any rents or lease amounts that had been paid in advance for a period that subsequently falls after the effective date of the termination of the lease are to be refunded within 30 days of the effective date of the lease termination.

Q: CAN MY LANDLORD OR THE COMPANY THAT LEASED THE MOTOR VEHICLE CHALLENGE MY TERMINATION NOTICE?

A: Yes. The SCRA provides protection for service members to terminate their leases in the absence of a military termination clause. However, the SCRA does afford the landlord or company leasing the vehicle an opportunity to challenge the service member’s termination notice in the appropriate court of law prior to the termination date provided in the written notice. Therefore, if possible, it is advisable to still include a military termination clause in the lease agreement.

Q: WHERE CAN I OBTAIN A NOTICE OF TERMINATION LETTER FOR A REAL PROPERTY LEASE?

A: A notice of termination letter for a real property lease is attached to this Information Paper.

Date: _____

Tenant's Name and Address

**RE: Notice of Termination of Real Property Lease
Servicemembers Civil Relief Act, 50 U.S.C. App. Section 535**

Dear Sir/Madam:

I am writing to terminate my lease of the following premises, pursuant to the Servicemembers Civil Relief Act (SCRA), 50 U.S.C. App. Section 535 (street address, city and state):

Under the provisions of the SCRA, I may terminate my lease since:

- I received orders to report for active military service after signing the lease.
- I received orders for a permanent change of station after signing the lease.
- I received orders to deploy with my military unit for a period of not less than 90 days after signing the lease.

My lease terminates as follows under the SCRA, and any prepaid rent covering periods after the effective termination date must be returned to me within 30 days of the effective date of the lease termination.

Since my lease requires that I make monthly rental payments, the effective date of termination is 30 days after the first date on which the next rental payment is due and payable after the date on which the notice is delivered.

Since my lease does not require that I make monthly rental payments, the effective date of termination is the last day of the month following the month in which the notice is delivered.

Please send any security deposit, prepaid rent covering the periods after the lease termination date, and all correspondence to me at:

I regret any inconvenience this may cause, but I thank you for your understanding and cooperation in this matter.

Sincerely,

Signature

Enclosure: Military Orders

NOTICE OF CANCELLATION OF MOTOR VEHICLE LEASE PURSUANT TO SECTION 305 OF THE SERVICEMEMBERS CIVIL RELIEF ACT (50 U.S.C. App. §535)

TO: [Lessor name and mailing address]

FROM: [Lessee name and mailing address]

I, _____, as Lessee ("I"), notify you, Lessor ("You"), pursuant to Section 305 of the Servicemembers Civil Relief Act (SCRA) of my intent to terminate the lease of the following described motor vehicle:

Year Make Model VIN of leased motor vehicle Lease or Account Number

I understand that You may provide more specific instructions related to my lease agreement, your procedures for implementing this lease termination, or may designate someone to act on your behalf (Agent).

[Check applicable status]

_____ Since leasing the vehicle described above, I certify that I have entered military service under a call or order specifying a period of not less than 180 days of duty (or have previously entered military service under a call or order specifying a period of 180 days or less of duty, but, without a break in service, I have received orders extending my period of military service to a period of not less than 180 days); OR

_____ After leasing the vehicle described above, I certify that I have received military orders for a permanent change of station outside of the continental United States, have been ordered to deploy with a military unit for a period of not less than 180 days, or having been ordered to deploy for a period of less than 180 days, have received orders extending my period of deployment to a period of 180 days or more.

I understand that in order to terminate the lease, I am required to do the following:

- 1) Deliver this notice and a copy of my military orders to You or your Agent by: (a) hand delivery; (b) recognized courier service; (c) by U.S. mail in an envelope, postage paid and return receipt requested, addressed to You at the above address or your Agent at your Agent's designated address; or (d) by any other means You designate; AND
- 2) Return the leased motor vehicle to You or your Agent at any reasonable location specified by You or your Agent within 15 days after delivery of this notice.

Termination Date:

The lease is terminated effective on the date that I have complied with items 1) and 2) above.

Federal Odometer Statement:

I understand that Federal law requires me to provide You with a signed statement showing the vehicle's mileage at the termination of the lease. (Attachment A meets this requirement).

Liability by Law:

Although I do not have to pay an early termination charge, I understand that I remain liable for the prorated part of my last monthly payment due before the Termination Date, as well as any past due monthly payments, taxes, summonses and title and registration fees, reasonable charges for excess wear and use and excess mileage, and any other amounts owed under the lease, that have become due and are unpaid at termination in accordance with the terms of my lease.

Date

Signature of Servicemember or Designated Agent

Print Name, Rank and Branch of Service

Military Unit & Duty phone number

ODOMETER DISCLOSURE STATEMENT
(Leased Vehicle)

FAX TO _____
(Request Fax Number from Lessor)

ODOMETER DISCLOSURE STATEMENT

Federal law (and State law, if applicable) requires that you, the lessee/customer, disclose the mileage to the lessor in connection with the transfer of ownership. Failure to complete or making a false statement may result in fines and/or imprisonment.

Complete disclosure form below and return to lessor.

I, _____ state that the odometer now reads _____
(Print name of person making disclosure) (no tenths)
miles and to the best of my knowledge that it reflects the actual mileage of the vehicle described below, unless one of the statements is checked.

(1) I hereby certify that to the best of my knowledge the odometer reading reflects the amount of mileage in excess of its mechanical limits.

(2) I hereby certify that the odometer reading is NOT the actual mileage.
WARNING - ODOMETER DISCREPANCY

Make _____ Model _____ Body Type _____ Color _____

Vehicle Identification Number _____ Year _____

Account Number _____ Dealer _____

LESSEE / CUSTOMER INFORMATION:

Lessee Name (printed) _____ Date _____

Lessee Electronic Identification Code (if applicable) _____

Lessee Signature _____

Lessee Address _____
(Street)

(City) (State) (Zip)

LESSOR INFORMATION:

Lessor Signature _____ Lessee _____

Date of Statement _____ Date Received by Lessor _____

Attachment "A"