

**Sample Letter to Creditors/Mortgage Lenders to  
Request a Reduction in Interest Rates under the SCRA**

***Note: The following is a sample only. It is not legal advice of any kind.*** Any request for a reduction in interest rates should be sent to the creditor via CERTIFIED MAIL, RETURN RECEIPT REQUESTED to comply with the SCRA and provide the sender with proof it was received.

[Service member's Return Address]  
[Date]

[CREDITOR ADDRESS]

Dear [Sir or Madam]:

I am currently obligated to your company for a loan in the amount of approximately [\$], at an interest rate of [%]. This obligation was entered into on [DATE]. At that time I was not on active duty in the armed services.

I have now entered [or been notified that I will enter] active military service in the U.S. [BRANCH OF SERVICE] on [DATE]. A copy of my orders is enclosed. My entry into active military service materially affects my ability to meet my repayment obligation.

The Service Member's Civil Relief Act (50 U.S.C. App. §§ 501-596) limits the amount of interest military service members entering active duty may be charged on any existing debt to 6% or less of annual interest. The law requires that this interest rate apply to the outstanding balance of the obligation, beginning the date of entry into active military service, and that the rate is maintained for the duration of active service. This interest includes service charges, renewal charges, fees, or any other charges.

Under 50 U.S.C. App. § 527(a)(2) any excess interest above 6% must be forgiven, not accrued. The periodic repayment amount must be recalculated to reflect this reduction. Please ensure that your records in this matter reflect the rate reduction required by law and that any excess charges incurred during the period of my active service are withdrawn.

Please note that Service Member's Civil Relief Act also limits the manner in which you may enforce this obligation, including limiting rights to repossession or foreclosure.

Thank you for your attention in this matter. I can be reached at the address above with any questions you may have.

Sincerely,

[Service member's name, rank and branch of service]