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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 to be designated by the lessor. The servicemember 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.

NOTICE: This pamphlet is designed to provide information about the Servicemembers Civil Relief Act. Specific facts in your case may involve different legal issues not discussed here. For best results, consult your legal advisor.