

Terminating a vehicle Lease upon Mobilization

By Captain Samuel F. Wright, JAGC, USN (Ret.)²

[About Sam Wright](#)

4.2—Right to Terminate a Lease or Contract upon Mobilization

Q: I leased a Volvo several months ago. Now, I am being called to active duty for 545 days, and I will be deploying to Iraq. I cannot take the car to Iraq, and I cannot afford the lease payments on my greatly reduced income, after mobilization. I contacted the dealer and asked to be released from the lease, but the dealer told me to "pound sand." Help!

A: Good news! On 19 December 2003, President Bush signed the Servicemembers' Civil Relief Act (SCRA), Public Law 108-189. This new law can be found in Volume 117 of Statutes at Large, beginning on page 2835. This law is a complete revision of the Soldiers' and Sailors' Civil Relief Act (SSCRA), with some major improvements, one of which is directly applicable to your situation.

¹I invite the reader's attention to www.roa.org/lawcenter. You will find more than 2000 "Law Review" articles about the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Servicemembers Civil Relief Act (SCRA), the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), the Uniformed Services Former Spouse Protection Act (USFSPA), and other laws that are especially pertinent to those who serve our country in uniform. You will also find a detailed Subject Index, to facilitate finding articles about very specific topics. The Reserve Officers Association, now doing business as the Reserve Organization of America (ROA), initiated this column in 1997.

²BA 1973 Northwestern University, JD (law degree) 1976 University of Houston, LLM (advanced law degree) 1980 Georgetown University. I served in the Navy and Navy Reserve as a Judge Advocate General's Corps officer and retired in 2007. I am a life member of ROA. For 43 years, I have worked with volunteers around the country to reform absentee voting laws and procedures to facilitate the enfranchisement of the brave young men and women who serve our country in uniform. I have also dealt with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and the Veterans' Reemployment Rights Act (VRRRA—the 1940 version of the federal reemployment statute) for 36 years. I developed the interest and expertise in this law during the decade (1982-92) that I worked for the United States Department of Labor (DOL) as an attorney. Together with one other DOL attorney (Susan M. Webman), I largely drafted the proposed VRRRA rewrite that President George H.W. Bush presented to Congress, as his proposal, in February 1991. On 10/13/1994, President Bill Clinton signed into law USERRA, Public Law 103-353, 108 Stat. 3162. The version of USERRA that President Clinton signed in 1994 was 85% the same as the Webman-Wright draft. USERRA is codified in title 38 of the United States Code at sections 4301 through 4335 (38 U.S.C. 4301-35). I have also dealt with the VRRRA and USERRA as a judge advocate in the Navy and Navy Reserve, as an attorney for the Department of Defense (DOD) organization called Employer Support of the Guard and Reserve (ESGR), as an attorney for the United States Office of Special Counsel (OSC), as an attorney in private practice, and as the Director of the Service Members Law Center (SMLC), as a full-time employee of ROA, for six years (2009-15). Please see Law Review 15052 (June 2015), concerning the accomplishments of the SMLC. My paid employment with ROA ended 5/31/2015, but I have continued the work of the SMLC as a volunteer. You can reach me by e-mail at SWright@roa.org.

Section 305 of the SCRA is entitled "Termination of Residential or Motor Vehicle Leases." Section 305(a)(1) provides: "The lessee on a lease described in subsection (b) may, at the lessee's option, terminate the lease at any time after ... the lessee's entry into military service."

The right to terminate a lease applies to several categories of leases, one of which is as follows: "A lease of a motor vehicle used, or intended to be used, by a servicemember or a servicemember's dependents for personal or business transportation if ... the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters into military service under a call or order specifying a period of not less than 180 days (or who enters military service under a call or order specifying a period of 180 days or less and who, without a break in service, receives orders extending the period of military service to a period of not less than 180 days)." There are also several other categories of leases to which the right to terminate applies.

Q: What, exactly, do I need to do to terminate the lease? When does the termination become effective?

A. "Termination of a lease under subsection (a) is made ... (A) by delivery by the lessee [you] of written notice of such termination, and a copy of the servicemember's military orders, to the lessor (or the lessor's grantee), or to the lessor's agent (or the agent's grantee); and ... (B) in the case of a lease of a motor vehicle, by the return of the motor vehicle by the lessee to the lessor (or the lessor's grantee), or to the lessor's agent (or the agent's grantee), not later than 15 days after the delivery of the written notice under subparagraph (A)." [Section 305(c)(1).] The notice may be accomplished by

hand delivery, by a private business carrier [e.g., Federal Express], or by certified mail. [Section 305(c)(2).] The termination becomes effective upon your completion of these required steps, including returning the vehicle. [Section 305(d)(2).]

The SSCRA gave you the right to terminate a lease for residential or business premises (house, apartment, office, etc.) upon entry on active duty, and that provision is continued in the SCRA. What is new, starting 19 December 2003, is the right to terminate a vehicle lease. As under the SSCRA, the right to terminate is not limited to involuntary mobilization orders. It also applies if you volunteer.

*Military title used for purposes of identification only. The views expressed in these articles are the personal views of the author and are not necessarily the views of the Department of the Navy, the Department of Defense, the Department of Defense or the U.S. government.

Update – March 2022³

The location of the SCRA within the United States code changed in late 2015. Previously codified at 50 U.S.C App. §§ 501-597(b), there was an editorial reclassification of the SCR by the Office of the Law Revision Counsel to the United States House of Representatives that became effective on December 1, 2015.⁴ The SCRA is now codified at 50 U.S.C. §§ 3901-4043. The changes in codification have not changed the substance or application of the sections. Therefore, the application of the SCRA throughout this article applies the same today as it did when it was written.

The relevant section cited throughout the article can be found as followed:

50 U.S.C. App. § 535 discussing the termination of residential or motor vehicle leases can be found at 50 U.S.C. § 3955.

For a complete conversion chart for the SCRA please see *The Servicemembers Civil Relief Act Has Moved*.⁵

Other leases that can be terminated include telephone, multichannel video programming, and internet access service contracts.⁶

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³Update by Second Lieutenant Lauren Walker, USMC.

⁴*The Servicemembers Civil Relief Act (SCRA)*, THE UNITED STATES DEPARTMENT OF JUSTICE, <https://www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra> (last visited Mar. 10, 2022).

⁵Samuel F. Wright, *The Servicemembers Civil Relief Act Has Moved*, Law Review 15115 (Dec. 2015).

⁶50 U.S.C. § 3956.

to whether they are members of ROA, but please understand that ROA members, through their dues and contributions, pay the costs of providing this service and all the other great services that ROA provides.

If you are now serving or have ever served in any one of our nation's eight⁷ uniformed services, you are eligible for membership in ROA, and a one-year membership only costs \$20 or \$450 for a life membership. Enlisted personnel as well as officers are eligible for full membership, and eligibility applies to those who are serving or have served in the Active Component, the National Guard, or the Reserve. If you are eligible for ROA membership, please join. You can join on-line at www.roa.org or call ROA at 800-809-9448.

If you are not eligible to join, please contribute financially, to help us keep up and expand this effort on behalf of those who serve. Please mail us a contribution to:

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⁷Congress recently established the United States Space Force as the 8th uniformed service.