

SUBJECT: Servicemembers' Civil Relief Act

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INTRODUCTION

This release applies to all credit unions. The Federal Servicemembers' Civil Relief Act (formerly known as the Soldiers' and Sailors' Civil Relief Act) and a parallel Wisconsin Act both provide special protections for military personnel

EXECUTIVE SUMMARY

One of the most important provisions of the Federal Servicemembers' Civil Relief Act (SCRA) (50 USC APP. §§ 501-591) and of the Wisconsin "Service members civil relief; state active duty" (Wis. Stats. § 321.62) sets a 6% limit on the interest that can be charged on loans that were taken out before entry into active military service. This interest rate cap applies during the time of active duty. On mortgage loans, it continues to apply for a year after active duty ends. Loan payments must be reduced to correspond with the 6% interest rate.

If the credit union feels that military service has not affected the member's ability to pay the contract rate, it can petition a court, at its own expense, to order payment of the higher rate.

The SCRA also provides protections for military personnel involved in court actions. Any time during a court action, before judgment is entered, a court must stay (postpone) the proceedings for at least 90 days if the servicemember requests it. The SCRA also requires court approval before any action to repossess collateral or foreclose on a mortgage. Before you can get a default judgment in any civil court action, you'll need to file an affidavit stating whether the person being sued is in military service. The release explains where to find the Wisconsin Court System's affidavit form, and how you can easily verify military service online.

Closely related to the SCRA is the federal Uniformed Services Employment and Reemployment Rights Act (USERRA). It requires an employer to accommodate a veteran returning to his or her prior job.

The Wisconsin Statutes provide similar protection to employees returning from active state service.

The SCRA and Wisconsin law described in this release are separate and distinct from Department of Defense rules under the federal Military Lending Act. Those rules affect loans to a consumer who, *at the time* he/she is obligated on a credit transaction, is either a member of the military on active duty or a dependent of such a person. For details, see The League's *ii Release No. B067*.

SCRA'S SCOPE

The SCRA is always in force, whether or not the country is at war. Its benefits are available to all those on full-time duty in the active military service of the United States.

Active duty personnel include individuals appointed, enlisted or inducted into the regular branches of the U.S. military service, i.e., Army, Air Force, Navy, Marines, and Coast Guard, as well as personnel mobilized in National Guard and Reserve Units, and commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration.

While the SCRA protects military personnel in active national service, the Wisconsin "Soldiers' and Sailors' Relief Act; State Service" protects military personnel called to active state service for 30 days or more on or after Sept. 12, 2001. The Wisconsin act provides the same interest rate caps and all other protections as the SCRA, but it applies to those who are called by the governor into active service in the Wisconsin Army or Air National Guard or in the state defense force. The Wisconsin act also applies to those who are called into active state service in the National Guard under certain federal provisions (Wis. Stats. § 321.62 (1)).

ACTIVE DUTY

Active duty begins on the date service begins and ends when an individual is "separated" from military service (i.e., dies while on active duty or is released from active duty). Enlisted reservists may receive protection as soon as they receive orders to report for duty. "Active duty" includes absence due to sickness, wounds, leave or other lawful cause.

"Active duty" also includes full-time training (e.g., boot camp, advanced training, etc.) for active military service.

If someone enlists in the military and takes out a loan before reporting for active duty (under a Delayed Entry/Enlistment Program), that loan is considered "pre-service," meaning that it qualifies for the 6% rate cap described in this release. A federal court in Arkansas reached that conclusion in 2007. In that case, the debtor enlisted on January 18, 2006. Because of the delayed entry program, he was not required to report for duty until August 14, 2006. He purchased a car in the meantime, on June 9. According to the court, the borrower entered military service when he began full-time active duty, not when he enlisted. Therefore, the SCRA's protections applied to the loan.

Retired army officers and personnel confined under court martial are not on active duty.

6% INTEREST RATE CAP & LOWERING LOAN PAYMENTS

For credit unions, one of the most important provisions of both the SCRA and the Wisconsin law requires that loans contracted prior to entry into the military shall bear an interest rate of no more than 6% per year during the time of active duty. (50 U.S.C. § 3937, Wis. Stats. § 321.62(10)).

As courts have described it, the interest rate cap is designed to allow military personnel to fulfill their duties "unhampered by obligations incurred prior to their call." This interest rate reduction does not apply to loans taken out during military service, only those taken out before active duty begins.

Federal law does limit the cost and terms allowed for certain types of loans that are made to people who are currently in military service and their dependents. For details see *ii Release No. B067, "Lending to Servicemembers."*

For open-end credit, the 6% limit may apply to some advances but not others. For example, outstanding balances on lines of credit taken out prior to active duty, including credit cards, home equity lines of credit, home mortgages, car loans, share secured loans, and signature loans will be subject to a 6% interest rate during the active duty period.. But the interest rate limit will not apply to new credit cards taken out after active duty begins. Nor will it apply to new advances taken on existing credit cards or lines of credit, even if those lines were opened before active duty began.

Upon the credit union's learning of a member going on active duty, the interest rate on pre-service loans must be reduced, with adjustments retroactive to the time active duty began.

This means that the amount of the member's loan payments must be reduced to reflect the 6% interest rate. The SCRA provides that "the amount of any periodic payment due ... shall be reduced by the amount of the interest forgiven ... that is allocable to the period for which such payment is made."

Any service charges, renewal charges, fees, or other charges (except bona fide insurance) are counted toward the 6% interest rate limit. Thus, if the interest rate is set at 6%, do not charge the other fees.

The interest rate can be returned to the contract rate after the borrower leaves active duty. Lenders cannot, however, “recapture” the interest lost while rates were at 6%, since the SCRA says that the interest must be “forgiven.”

If the 6% interest rate cap applies to a loan, then it also protects any joint borrowers, co-signers or guarantors on that covered loan.

The 6% interest rate cap does not expressly apply to the servicemember’s dependents. Therefore, if the servicemember is not the one obligated to repay the loan, the interest rate on the loan does not have to be lowered to 6%. If a dependent and service member are *joint borrowers*, such that both of their incomes were considered in underwriting the loan and both are jointly liable for repayment, the 6% interest rate cap does apply to the loan.

Under Wisconsin’s Marital Property Act, a credit union may have to consider a servicemember’s income when his/her spouse applies for a loan individually. (See The League’s *ii Release No. B005*). However, that does not make it a joint loan, since only the spouse is obligated to repay it.

Mortgage Loans

The 6% rate cap ordinarily applies only while the member is in active military service. But for mortgages, the SCRA extends that limit, so that it applies “during the period of military service and one year thereafter.” This means that the credit union will need to maintain the 6% interest rate for a full year after the borrower leaves active duty, if the loan is secured by a mortgage “or other security in the nature of a mortgage” (the SCRA does not seem to limit this to *residential* mortgages) taken out before the member entered military service.

Different rate cap under Military Lending Act

The SCRA is separate and distinct from Department of Defense rules under the federal Military Lending Act. Under those rules, the credit union may not charge more than 36% Military Annual Percentage Rate (MAPR) on loans to a consumer who, *at the time* he/she is obligated on a credit transaction, is either a member of the military on active duty or a dependent of such a person. The MAPR includes various charges and fees that might not be included in ordinary APR calculations. For details, see The League’s *ii Release No. B067*.

Exceptions

If the credit union feels that the member’s ability to pay the contract rate is not “materially affected” by the military service, it can petition a court, at its own expense, to order payment of the higher rate. However, the contractual rate cannot be charged until approval by the court is obtained.

Also, the 6% interest rate does not apply to the Guaranteed Student Loan Program. Those on active duty may apply for deferments, suspending payments and accrual of interest. The credit union may be reimbursed by the Department of Education.

Suspending payments

The Act does not allow servicemembers to automatically stop making payments on their loans. They may often ask lenders to defer or suspend payments – and some lenders comply with those requests – but lenders are not required to do so.

Proof of military service

There are two ways that a borrower’s military service can be proven in order to qualify for the 6% interest rate cap:

- The first option: The servicemember can provide the credit union with a written notice and a copy of either 1) his/her orders to report for active duty and any orders further extending the call to military service or 2) any other appropriate indicator of military service, including a certified letter from a commanding officer. As explained above, after the credit union receives the notice of active duty, it must reduce the interest rates on the borrower’s pre-active-duty loans to 6%, effective the date the servicemember’s active duty begins. The orders will show this date and when active duty is expected to end.

The borrower has up to 180 days after the end of his/her active service to give the credit union the required notice. So, even if notice is provided six months after active duty ends, the credit union is still obligated to reduce interest and periodic payments on the loan retroactive to the date that active duty began.

- The second option: The SCRA lets creditors independently verify a servicemember's military status via the Defense Manpower Data Center (DMDC), instead of waiting for a servicemember's to provide a written notice and documentation. (This second option became available on Aug. 13, 2018.)

Many credit unions already use the DMDC for purposes of complying with the SCRA and the Military Lending Act (MLA), which is covered in The League's *ii Release No. B067*. The DMDC - SCRA website *is here*. The DMDC - MLA website *is here*.

The SCRA provides a safe harbor for lenders that rely on information from the DMDC in deciding whether to apply the 6% interest rate cap. Credit unions are protected from liability for not reducing a loan's interest rate to 6% if 1) the DMDC information shows that, on the date the creditor retrieves such information, the servicemember is not on active duty; and 2) by the end of the 180-day period after the date of a servicemember's termination or release from military service, the creditor has not received the written notice and documentation from the servicemember under the first option.

Refinancing loans

It is generally not necessary to refinance a loan or have a member sign new loan documents in order to lower the interest rate during the borrower's active military service. The credit union's data processing system should simply be adjusted to accrue interest at 6% during this time.

But the credit union and the servicemember can choose to renegotiate the original loan contract, if they like. Under the SCRA, contracts may be modified, terminated or cancelled and property that is collateral for an obligation may be repossessed, foreclosed, sold or forfeited pursuant to a written agreement between the creditor and the servicemember that is entered into during or after the period of active duty.

Disclosures

Truth in Lending does not require that new disclosures be given when the interest rate is lowered at the beginning of active duty.

Be sure to provide any rate-adjustment notices, required by state law or Truth in Lending (Reg. Z), when the rate rises back to the contract rate at the end of active duty. Notice requirements will depend on the particulars of the loan or line of credit.

- For open-end loans, a Reg. Z change in terms notice is required when the member is no longer on active duty and the credit union reinstates the contract rate. For closed-end loans, an additional Reg. Z disclosure will only be required for variable rate loans secured by a member's principal dwelling that have a term of greater than one year.
- For open-end loan subject to the Wisconsin Consumer Act, the credit union ordinarily must give at least 90 days notice before the effective date of any change that is adverse to the consumer's interests or that increases certain fees. It is unclear whether Wisconsin would require the notice when the credit union is not changing the contract rate – just returning the rate to where it was before active duty began. Still, it may be safest to give the notice. The Wisconsin Consumer Act would not require a change in terms notice for a closed-end loan.

MORTGAGE DEFAULT NOTICE

HUD requires mortgage lenders to notify all homeowners who are in default about the foreclosure rights of servicemembers and their dependents under the SCRA. The notice includes the service members' right to not pay an interest rate above 6 percent on a debt incurred prior to entering military service, during the period of military service, and one year thereafter.

The current version of HUD's SCRA Notice is available by *clicking here for a list* of HUD forms, then clicking on "HUD-9" and then scrolling down to HUD-92070.

See *ii Release No. B058* for HUD's Delinquent Homeowner Notice Requirements.

PROHIBITED ACTS

The credit union cannot make an adverse report to a credit reporting agency, freeze a line of credit, or deny a loan application just because the borrower has exercised his/her SCRA rights.

The SCRA prohibits lenders from doing the following based solely on the servicemember's request for or receipt of relief under the Act:

- Determining that the person is unable to pay the obligation or liability in accordance with its terms;
- Denying or revoking credit, changing the terms of an existing credit arrangement, or refusing to grant substantially the amount or on substantially the terms requested;
- Making an adverse report related to the creditworthiness of the person;
- Refusing to insure the person or changing the terms or conditions required for the issuance of insurance; or
- Placing a note on a servicemember's loan file or credit record identifying the servicemember as a member of the National Guard or reserve component.

AUTO LEASES

Under the broad language of both the SCRA and the Wisconsin law, the rate cap may apply to fees or charges due under automobile leases. Credit unions should work with members called up to active service to modify payment plans.

The SCRA lets servicemembers terminate automobile leases, without having to pay early termination fees, if ordered to active duty for 180 days or more. The servicemember must deliver written notice, along with a copy of his/her military orders, to the lessor. The servicemember must then return the vehicle to the lessor-credit union within 15 days.

The credit union may not impose an early termination charge, but it can charge for any taxes, summons, title and registration fees or other obligations of the lessee, including reasonable charges for excess wear and tear, use and mileage, etc. that are due and unpaid at the time of termination, if allowed by the lease agreement.

COURT PROCEEDINGS

Default Judgments

Before courts will grant a default judgment (i.e., judgment against a defendant who does not respond when he/she is sued), the plaintiff must file an affidavit stating whether the defendant is in military service, or stating that the plaintiff is unable to determine whether the defendant is in military service.

The SCRA provides a penalty of up to one year imprisonment and \$1,000 fine for filing a false affidavit. The Wisconsin Soldiers' and Sailors' Relief Act provides for fines of up to \$10,000 or nine months' imprisonment for filing a false affidavit. The Wisconsin Court System's standard form for an Affidavit of Nonmilitary Service is available at: <http://wicourts.gov/forms/GF-175.PDF>

The affidavit form requires you to explain why you believe the defendant is or is not in military service, and a simple way to do that is to get a certificate from the Department of Defense online at: <https://scra.dmdc.osd.mil/scra/#/home>. You'll need to provide the defendant's Social Security Number or date of birth, and a last name. Then click on the "Look Up" tab. The system will generate a certificate that you can print and attach to the affidavit form.

This online service is free, and no authorization, user ID, or password is needed.

If you need help, you can fax a request for a certificate of military service to the Department of Defense's Manpower Data Center at (703) 696-4156, or call (703) 696-6762.

If the defendant is in military service, then the court can stay (postpone) the case if (1) it believes that the defendant's presence is necessary to provide a defense or (2) the defendant's counsel has been unable to locate the defendant or determine if there's a defense.

Even after a default judgment is entered, the court can set it aside and reopen the case. The servicemember has up to 90 days after active duty ends to ask the court to set aside the default judgment. The court will do so if it believes that the defendant's service had a material affect on the defendant's response to the suit and that the defendant may have had a defense with some merit.

Stay of Proceedings

Any time during a court action, before judgment is entered, a court must stay (postpone) the proceedings for at least 90 days if the servicemember requests it. The SCRA requires the servicemember to provide two documents to the court when requesting a stay:

- A letter stating how military service prevents him/her from appearing and a date on which he/she will be able to appear; and
- A letter from his/her commanding officer stating that military service prevents the defendant's appearance and that military leave is not presently available.
- Even if these documents are not provided, the court has discretion to grant the stay anyway.

Installment Contracts

If a servicemember signed a contract before entering military service to buy real or personal property through installment payments, and if the servicemember made a deposit or installment payment before active duty began, then:

- The contract cannot be rescinded or terminated for a breach that occurs before or during military service; and
- The property cannot be repossessed without a court order.

A court may order repayment of the prior installment as a condition of terminating the contract and allowing the creditor to resume possession of the property, order a stay of the proceedings, or make any other disposition of the case as it determines to be fair to all parties.

These SCRA provisions would apply to an installment sales contract that an auto dealer assigns to a credit union as part of an indirect lending program.

Contractual Penalties

When a lawsuit on a contract is stayed under the SCRA, this delay cannot trigger a penalty under the contract. Even if the case is not stayed, a court can lower any contractual penalty if military service had a material effect on the servicemember's ability to perform the contract.

Foreclosures/Repossessions

The federal and state laws require court approval before any action to repossess collateral or foreclose on a mortgage. Specifically, the SCRA says that a creditor must obtain a court order before foreclosing on an active-duty servicemember's loan that is secured by a mortgage or similar security agreement on real or personal property. This would include car loans, for example.

This SCRA provision applies to:

- Repossession actions started during the servicemember's military service and related to an obligation incurred before active duty; and
- Mortgage foreclosure actions started either during the borrower's military service or within 12 months after the borrower has left active duty -- if the mortgage loan was taken out before military service began.

To get relief from a mortgage foreclosure, the servicemember must persuade the court that he/she is materially affected by military service -- that his/her income is inadequate to reasonably provide for the member. If the court agrees that the servicemember has been materially affected, it may stay the foreclosure proceedings or adjust the obligation to preserve the interests of all of the parties.

Check military status before self-help repossession

Wisconsin law allows self-help repossession of motor vehicles, as we explain in The League's *ii Release No. B066*. However, credit unions should always get a court order for repossession -- and not even try the self-help route -- if the borrower (or his/her spouse) is (or recently has been) on active duty and took out the motor vehicle loan before entering the service.

Your credit union's policies, procedures, and staff training on collections and repossession should address this issue.

The SCRA lets creditors independently verify a service member's military status via the Defense Manpower Data Center (DMDC). (Many credit unions also use the DMDC for purposes of complying with the Military Lending Act, which is covered in The League's *ii Release No. B067*.) The DMDC - SCRA website *is online here*. (A separate DMDC - MLA website is *online here*.) The League recommends checking at least twice: At the start of the repossession process, and again as the last step before proceeding with a self-help repossession. Keep copies of the results in your collections file.

Also, out of an abundance of caution, it may be wise to check the name of the borrower's spouse. A spouse may have an interest in the vehicle under Wisconsin's Marital Property Act even if he/she is not a borrower on the loan, and even if he/she is not actually a titled owner of the vehicle. It's not clear whether/how the SCRA could apply in that situation, but if there is even a chance of an SCRA violation, it would be best to pursue repossession through the courts.

Collecting on a Judgment

Even after a judgment is entered against a servicemember, the court can vacate it or delay its execution if the servicemember's ability to comply with the judgment or order is materially affected by military service. The judge can also vacate or stay an attachment or garnishment of property in the servicemember's possession either before or after judgment.

Statute of Limitations

The six-year statute of limitations for legal action on contracts (which varies from state to state) is suspended while a party is in military service, even if the claim arose prior to or during service. So, if a borrower defaults on a loan, then enters the military, the length of time in military service will not be included in computing the six years.

BUSINESS LOANS

The SCRA provides a number of protections for borrowers, as this release explains, but the SCRA does not distinguish consumer from business purpose loans. As one national law firm has explained: "Therefore if a service member is personally liable for repayment of a business or commercial loan, regulators and courts are taking the position that the act covers these loans just as it would any other obligation or debt. This scenario typically arises either when a service member personally takes out a corporate loan from a financial institution or when a service member co-signs with a small business so both the individual and the business are jointly and severally liable on the debt."

STAFF TRAINING

The NCUA's *Federal Consumer Financial Protection Guide* recommends that individuals whose responsibilities relate to compliance with the SCRA receive "training is comprehensive and covers the various aspects of the provisions that apply to the creditor's offerings and operations."

UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

The Uniformed Services Employment and Reemployment Rights Act ("USERRA") became a federal law in 1994, replacing the Veterans' Reemployment Rights Act.

Under USERRA, employers must grant employees a leave of absence for military service, and they may not discriminate in employment, reemployment, promotions or benefits against people who apply for or perform military services or who have military service obligations. Employers are liable for discrimination if an employee's military service is a "motivating factor" in an adverse employment decision.

All employers are covered by USERRA, regardless of size. All employees are covered by USERRA's nondiscrimination protections. USERRA's reinstatement rights extend to full-time and part-time employees, but not to employees who leave a temporary job for military service. All types of voluntary and involuntary military service are covered, (including all service branches, the Reserves, National Guard, the commissioned corps of the Public Health Service, and the Coast Guard).

Chapter 321 of the Wisconsin Statutes guarantees reemployment rights for those who are called by the governor into active service in the Wisconsin Army or Air National Guard or in the state defense force for up to five years.

The law also applies to those who are called into active state service in the National Guard under certain federal provisions. The Wisconsin law is similar to USERRA.

USERRA requires employers to grant a leave of absence for military service, for up to a cumulative total of five years (longer in certain cases, such as during wars). Employees must give written or oral notice of the need for leave, unless that is impossible for military or other reasons.

Employers must reinstate qualified returning veterans who have not been dishonorably discharged. The returning employees must make timely requests for reinstatement:

- Return from fitness-for-duty exams or service lasting less than 31 days: The employee must report for reemployment at the beginning of the first full regularly scheduled working period on the first calendar day after completion of service, and the expiration of eight hours after a time for safe transportation back to the employee's residence. If reporting within this time period is impossible or unreasonable through no fault of the employee, then employee must report back for reemployment as soon as possible.
- Return from service for 31 days or more, but less than 181 days: The employee must submit an application for reemployment no later than 14 days after completion of service. If that is impossible or unreasonable through no fault of the employee, then the employee must do so on the next full calendar day when possible.
- Return from service over 180 days: The employee must submit an application for reemployment not later than 90 days after completion of service.

These time limits may be extended in some circumstances, and USERRA provides some exceptions where reinstatement may not be required, such as where the employer's circumstances have so changed as to make reemployment impossible or unreasonable.

Once reinstated, an employee may not be discharged except "for cause" for a period following the date of reemployment:

- 180 days if the military service lasted from 31 to 180 days.
- One year if the military service lasted more than 180 days.

A returning employee must be placed at the same point where he or she would have been if military service had not intervened. For leave lasting 90 days or less, the employee must be reinstated to the job that he or she would have had if continuously employed during the military leave, as long as the employee is qualified to perform that job. For leave lasting longer than 90 days, the employee must be reinstated to a job with like seniority status and pay, as long as he or she is qualified to perform that job.

USERRA also provides that covered employees are entitled to receive certain benefits upon reemployment. For example, an employer must make an employer contribution to a pension plan for the period of military service, upon reinstatement of an employee.

Continuation of Health Benefits

Under USERRA, if a person's health plan coverage would terminate because of an absence due to military service, the person may choose to continue the health plan coverage for up to 24 months after the absence begins or for the period of service.

USERRA's 24-month maximum coverage period complicates plan administration, particularly for plans that are also subject to the Consolidated Omnibus Budget Reconciliation Act (COBRA). Before Dec. 10, 2004, the maximum coverage periods under USERRA and COBRA were both 18 months, generally. Now, employees who are absent for uniformed service (and their dependents, if applicable) may have different rights under COBRA and USERRA. Employees will be entitled to protection under the law that gives the greater benefit.

All employers are covered by USERRA, regardless of size. COBRA, however, only applies to employers who had 20 or more full-time and part-time employees during 50% of the working days in the previous calendar year.

Premiums for Continued Coverage

Under both USERRA and COBRA, a person cannot be required to pay more than 102% of the full premium for the continued health care coverage. If military service is for 30 or fewer days, the person cannot be required to pay more than the normal employee share of any premium.

However, Wisconsin has its own continuation requirement. It applies to all state employers, of any size, with group health plans, and it applies whether or not COBRA also applies. The state law only permits an employer to charge 100% of the premium.

So, even though both COBRA and USERRA permit 102%, in Wisconsin an employer cannot charge more than 100% for the first 18 months of continuation coverage.

For more information about COBRA, see The League's ii Release No. 0102.

Notice Required

All U.S. employers must provide employees with information about their rights and benefits under USERRA. The U.S. Department of Labor has developed a model notice that credit unions can post "where employers customarily place notices for employees" to fulfill this requirement. That model notice is available online at: www.dol.gov/vets/programs/userra/USERRA_Private.pdf

OTHER RESOURCES

For more information about USERRA, the U.S. Department of Labor offers a "Non-Technical Resource Guide to the Uniformed Services Employment and Reemployment Rights Act (USERRA)" on-line at www.dol.gov/vets/whatsnew/uguide.pdf

Military Lending Act

The SCRA and Wisconsin law described in this release are separate and distinct from Department of Defense rules under the federal Military Lending Act (MLA).

Under the MLA, credit unions may not charge more than 36% Military Annual Percentage Rate (MAPR) on loans to a consumer who, at the time he/she is obligated on a credit transaction, is either a member of the military on active duty or a dependent of such a person. The MAPR includes various charges and fees that might not be included in ordinary APR calculations.

As of Oct. 3, 2016, the MLA rules apply to almost any consumer lending by a credit union, closed-end or open-end; however, they make exceptions for dwelling-secured loans, purchase-money loans for vehicles or personal property, or credit that is outside the scope of Reg. Z. (Before that date, the rules only applied to three types of loans – payday loans, vehicle title loans, and tax refund anticipation loans.)

Special disclosures must be provided, in writing and orally, when the MLA applies. The rules may restrict a credit union's ability to take security interests in accounts and set off if a loan defaults. The League offers MLA versions of several WCUL loan forms, which are designed for use when a loan is subject to the MLA rules.

For details, see The League's ii Release No. B067.

Family and Medical Leave Act

The federal Family and Medical Leave Act (FMLA) provides for two types of leave related to military service:

- Qualifying exigency leave, which lets an eligible employee take up to 12 weeks of FMLA leave in certain situations (called "qualifying exigencies") because the employee's spouse, son, daughter, or parent is on active duty (or called to active duty) in a military reserve component or re-called from retirement.
- Military caregiver leave, which lets an eligible employee take up to 26 weeks of FMLA leave in a single 12-month period to care for a seriously injured or ill servicemember.

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League publications are designed to provide accurate information with regard to the subject matter covered, with the understanding that The League does not render legal services. If you have general questions regarding this release, please call The League at (608) 640-4050 if local or (800) 242-0833. For specific legal advice, please consult your credit union's attorney.

Legal Affairs Department

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