

109TH CONGRESS
1ST SESSION

H. R. 2859

To amend the Servicemembers Civil Relief Act to provide improved interest rate relief for servicemembers during periods of military service.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2005

Mr. RYUN of Kansas (for himself and Mr. WYNN) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend the Servicemembers Civil Relief Act to provide improved interest rate relief for servicemembers during periods of military service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Servicemembers Inter-
5 est Rate Relief Act of 2005”.

6 **SEC. 2. IMPROVED INTEREST RATE RELIEF.**

7 Section 207(a) of the Servicemembers Civil Relief Act
8 (50 U.S.C. App. 527(a)) is amended—

9 (1) by redesignating paragraphs (2) and (3) as
10 paragraphs (3) and (4), respectively; and

1 (2) by striking paragraph (1) and inserting the
2 following:

3 “(1) IN GENERAL.—An obligation or liability
4 bearing interest that is incurred by a servicemember,
5 or the servicemember and the servicemember’s
6 spouse jointly, before the servicemember enters mili-
7 tary service shall not, at any time during the period
8 of military service, bear interest at a rate in excess
9 of the maximum rate allowable at such time.

10 “(2) MAXIMUM RATE ALLOWABLE.—As used in
11 this section the term ‘maximum rate allowable’, with
12 respect to an obligation or liability, means the lower
13 of—

14 “(A) 6 percent per year; or

15 “(B) the annual rate of interest that (but
16 for this section) would otherwise apply with re-
17 spect to such obligation or liability, reduced by
18 1 percentage point (but not below zero).”.

19 **SEC. 3. TECHNICAL AMENDMENTS.**

20 Section 207 of the Servicemembers Civil Relief Act
21 (50 U.S.C. App. 527) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (3) (as so redesignated
24 by section 2)—

1 (i) in the heading, by striking “IN EX-
2 CESS OF 6 PERCENT”; and

3 (ii) by striking “6 percent per year”
4 and inserting “the maximum rate allow-
5 able”; and

6 (B) in paragraph (4) (as so redesignated
7 by section 2), by striking “paragraph (2)” and
8 inserting “paragraph (3)”; and
9 (2) in subsection (c), by striking “6 percent per
10 year” and inserting “the maximum rate allowable”.

11 **SEC. 4. EFFECTIVE DATE.**

12 This Act and the amendments made by this Act shall
13 take effect 60 days after the date of the enactment of this
14 Act, and shall apply with respect to servicemembers in
15 military service on or after the effective date of this Act.

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