

Assembly Bill No. 2521

CHAPTER 79

An act to amend Section 800 of the Military and Veterans Code, relating to the military.

[Approved by Governor July 9, 2018. Filed with Secretary of State July 9, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2521, Quirk-Silva. Reservists: active duty: deferment of financial obligations.

Existing law, the California Military Families Financial Relief Act, authorizes a reservist who is called to active duty to defer payments on mortgages, credit cards, retail installment accounts and contracts, real property taxes and assessments, vehicle leases, and obligations owed to utility companies, for the period of active duty plus 60 calendar days, or 180 days, whichever is the lesser, as specified. Existing law requires the reservist or his or her designee to deliver to the obligor (1) a copy of his or her activation or deployment order and any other information that substantiates the duration of the service member's military service, and (2) a letter signed by the reservist, under penalty of perjury, requesting a deferment of financial obligations, in order for the obligation or liability to be subject to the provisions of the act.

This bill would delete the requirement to provide a signed letter, under penalty of perjury, and instead would require the reservist or his or her designee to deliver a written request by the reservist for a deferment of financial obligations to the obligor.

The people of the State of California do enact as follows:

SECTION 1. Section 800 of the Military and Veterans Code is amended to read:

800. (a) Subject to subdivision (b), in addition to any other benefits provided by law and to the extent permitted by federal law, a reservist who is called to active duty may defer payments on any of the following obligations while serving on active duty:

- (1) An obligation secured by a mortgage or deed of trust.
- (2) Credit card, as defined in Section 1747.02 of the Civil Code.
- (3) Retail installment contract, as defined in Section 1802.6 of the Civil Code.
- (4) Retail installment account, installment account, or revolving account, as defined in Section 1802.7 of the Civil Code.

(5) Up to two vehicle loans. For purposes of this chapter, “vehicle” means a vehicle as defined in Section 670 of the Vehicle Code.

(6) A payment of property tax or any special assessment of in-lieu property tax imposed on real property that is assessed on residential property owned by the reservist and used as that reservist’s primary place of residence on the date the reservist was ordered to active duty.

(7) An obligation owed to a utility company.

(b) (1) In order for an obligation or liability of a reservist to be subject to the provisions of this chapter, the reservist or the reservist’s designee shall deliver to the obligor both of the following:

(A) A written request by the reservist for a deferment of financial obligations. For purposes of this subparagraph, “written request” includes an electronic communication.

(B) A copy of the reservist’s activation or deployment order and any other information that substantiates the duration of the service member’s military service.

(2) If required by a financial institution, proof that the reservist’s employer does not provide continuing income to the reservist while the reservist is on active military duty, including the reservist’s military pay, of more than 90 percent of the reservist’s monthly salary and wage income earned before the call to active duty.

(c) Upon request of the reservist or the reservist’s dependent or designee and within five working days of that request, if applicable, the employer of a reservist shall furnish the letter or other comparable evidence showing that the employer’s compensation policy does not provide continuing income to the reservist, including the reservist’s military pay, of more than 90 percent of the reservist’s monthly salary and wage income earned before the call to active duty.

(d) The deferral period on financial obligations shall be the lesser of 180 days or the period of active duty plus 60 calendar days and shall apply only to those payments due subsequent to the notice provided to a lender as provided in subdivision (b). In addition, the total period of the deferment shall not exceed 180 days within a 365-day period.

(e) If a lender defers payments on a closed end credit obligation or an open-end credit obligation with a maturity date, pursuant to this chapter, the lender shall extend the term of the obligation by the amount of months the obligation was deferred.

(f) If a lender defers payments on an open-end credit obligation pursuant to this chapter, the lender may restrict the availability of additional credit with respect to that obligation during the term of the deferral.