



# FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

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## **Lower Loan Rates Available to Active-Duty Military Personnel**

EDWARDSVILLE, IL, October 4, 2010 - Vicki Rolens, Managing Director of the Federation of American Consumers (FACT), reports that members of the military may qualify for special consideration concerning interest on their credit cards, mortgages and other debt.

“Under the Servicemembers Civil Relief Act (SCRA),” she says, “interest rates are capped at 6% for active-duty personnel. This advantage applies to debts incurred before entering active duty if the individual’s military service affects his or her ability to meet the payments.”

Credit cards, mortgages and other loans taken out jointly with a non-military spouse also qualify.

Rolens says that an active-duty military person can request the rate reduction directly from the creditor, or can request help from an Armed Forces Legal Assistance Office (<http://legalassistance.law.af.mil>).

In order to prove that one’s income has been reduced by being placed on active duty, the applicant may be asked to submit copies of military orders, earnings statements and tax returns.

The interest rate will go back up when active duty ends. Eligibility typically begins on the date of entering active duty and terminates within 30 to 90 days after date of active-duty discharge.

“It is especially wise to pay down credit card debt while on active duty,” suggests Rolens, “as the average interest rate on credit cards nationally is over 14%!”

She points out that there are other advantages to military personnel under the Servicemembers Civil Relief Act, which can be found by visiting <http://www.military.com/benefits/legal-matters/scra/overview> and various other Internet locations.

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This news release has been issued by the Federation of American Consumers and Travelers (FACT), a consumer organization formed under the not-for-profit corporation laws of the District of Columbia in 1984. FACT serves more than 1 million consumers nationwide. Additional information on FACT may be found in the Encyclopedia of Associations, and by visiting the association's Web site ([www.usafact.org](http://www.usafact.org)). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. The association does not offer support to -- and does not receive support from -- any political party or movement. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from medical insurance and dental discounts to prescription drug savings and scholarships. FACT’s administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025