

TIPS for Servicemembers

Handling Vehicle Leases While on Active Duty



Leasing a vehicle may be one of your biggest expenses. If you are on active duty, you may be able to end your lease. If you cannot make your lease payments while on active duty, you may have protections against repossession. Here are some tips on handling your vehicle lease.

When You May Terminate Your Vehicle Lease

- If you lease a vehicle prior to being called onto active duty, you may terminate the lease if you are called onto active duty for 180 days or more.
- If you lease a vehicle while on active duty, you may terminate the lease if you (1) have a permanent change of station to or from somewhere outside the continental United States; (2) are deployed for 180 days or more in support of a military operation; or (3) leave active duty and are then called to a new period of active duty lasting 180 days or more.

How to Terminate Your Vehicle Lease

- Give written notice to the lessor that you are terminating the lease under the Servicemembers Civil Relief Act and the California Military and Veterans Code;
- Give the lessor a copy of your military orders; and
- Return the vehicle to the lessor within 15 days of delivering the written notice of termination.

How to Deliver the Written Notice of Termination

- Certified mail with a return receipt request; or
- By hand; or
- By a private delivery company.

Fees and Repayments

- If you terminate a vehicle lease, you may be charged reasonable fees for taxes, title, registration, wear on a vehicle, and mileage.
- The lessor should refund any advance payments or prepayments you made on the lease within 30 days of termination.
- A lessor who withholds your money after you have lawfully terminated a vehicle lease is guilty of a misdemeanor.

Repossession of Vehicles

- While you are on active duty and for up to one year after you complete your service, your vehicle may not be repossessed without a court order.

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- If anyone threatens to repossess your car, tell them that you are on active duty and get legal assistance right away. A court may stop or delay repossession while you are on active duty. A court may also order the lessor to return some or all of your payments before allowing it to repossess your vehicle.
- California law gives you a right to defer payments on a car loan or lease during military service. If you are at risk of repossession, consider deferring your payments or, in the case of a lease, terminating your lease. For more information contact your installation legal assistance office.

Additional Resources

Ask your base legal office for help. For the legal office's contact information, ask your command or visit the Armed Forces Legal Assistance Program website at <https://legalassistance.law.af.mil/>.

California National Guard personnel can also get help from the State Staff Judge Advocate's Office - go to <http://www.calguard.ca.gov/> for contact information.

For information on civilian legal aid resources, go to <http://www.lawhelpca.org>.

The Attorney General's Office cannot give legal advice, but filing a consumer complaint is helpful because it alerts the Office to consumer issues and may help with the Office's investigations. File a complaint with the Attorney General's Office at <https://oag.ca.gov/consumers> or (800) 952-5225.

For more information about military consumer protection, visit <https://oag.ca.gov/consumers/general/military>.

For questions regarding the Department of Justice, contact the Public Inquiry Unit at (916) 210-6276 (voice), or (800) 952-5225 (toll-free in California).