While you are on active duty in the military, you should only pay 6% interest on your credit cards for those card charges that you or your spouse incurred before you entered active duty. Since credit card interest rates are typically several times this amount, this can result in you saving thousands of dollars if your card balance was high enough when you entered active duty and if you were slow in paying that amount off. Any higher rate interest assessed against you while you are on active duty that should have been assessed at 6% must be credited back to you. This 6% limit applies to many types of debts, not just credit card debt.

To get your interest rate reduced, notify your creditors in writing that you are on active duty and that you want your interest rates reduced. You should also send them a copy of the orders calling you to active duty or extending your active duty. It is important to notify your creditors as soon as possible, but you must let them know no later than 180 days after your period of active duty ends. If you notify them within that period you will get back a credit for all the interest charged at the higher rate that should have been charged at 6%.

To qualify for this protection, you must be a member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, or a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration. Members of the Reserves or National Guard who are called to active service also qualify. You can get more information from a judge advocate. For example, the U.S. Army’s Judge Advocate General’s Corps has information at www.jagcnet.army.mil.

**Source:** National Consumer Law Center, Surviving Debt [50th NCLC Anniversary Edition], updated at www.nclc.org/library

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