

TIPS for Servicemembers

Handling Financed Purchases While on Active Duty



While you are on active duty, you may be protected from creditors who want to terminate a contract or repossess an item because you cannot make timely payments. Here are some tips about your rights.

Contract Termination

If you cannot make your installment payments on time while you are on active duty, you may have protections. Unless a creditor gets a court order, it cannot terminate your contract if you 1) signed the contract before you went on active duty; and 2) paid a deposit or installment payment before you went on active duty.

When a Creditor Seeks a Court Order for Repossession or Contract Termination

When a creditor asks the court for a court order, the court may:

- Order the creditor to return your past payments before it can terminate the contract or repossess an item; or
- Delay court proceedings and not issue an order for as long as the court thinks is right (for example, until your active duty ends); or
- Issue a court order that is fair and that protects your interests, the interests of the creditor, and any other parties involved.

Getting Help

- If you can't afford your payments, go to your installation legal assistance office or financial counselor for advice and assistance.

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).