

112TH CONGRESS  
1ST SESSION

# H. R. 2654

To amend the Servicemembers Civil Relief Act to provide servicemembers increased protection during a funding gap.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2011

Mr. ELLISON introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To amend the Servicemembers Civil Relief Act to provide servicemembers increased protection during a funding gap.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Don’t Default on Mili-  
5 tary Families Act”.

6 **SEC. 2. PROTECTION OF SERVICEMEMBERS DURING FUND-**  
7 **ING GAP.**

8 (a) IN GENERAL.—Title I of the Servicemembers  
9 Civil Relief Act (50 U.S.C. App. 511 et seq.) is amended  
10 by adding at the end the following new section:

1 **“SEC. 110. PROTECTION OF SERVICEMEMBERS DURING**  
2 **FUNDING GAP.**

3 “(a) APPLICATION.—Notwithstanding any other sec-  
4 tion of this Act, the provisions of this section shall apply  
5 to a servicemember during a funding gap affecting the  
6 Armed Forces.

7 “(b) EVICTIONS AND DISTRESS.—During a funding  
8 gap, section 301(a)(1)(A)(ii) shall not apply to a service-  
9 member.

10 “(c) PROTECTION UNDER INSTALLMENT CONTRACTS  
11 FOR PURCHASE OR LEASE.—During a funding gap, sec-  
12 tion 302(a)(2) shall not apply to a servicemember.

13 “(d) MORTGAGES AND TRUST DEEDS.—

14 “(1) IN GENERAL.—During a funding gap, sec-  
15 tion 303(a)(1) shall apply to a servicemember by  
16 substituting ‘before a funding gap that is the cause  
17 of an action described in subsection (b) or a sale,  
18 foreclosure, or seizure described in subsection (c)’  
19 for ‘before the period of the servicemember’s mili-  
20 tary service’.

21 “(2) CREDIT RATING.—During a funding gap,  
22 the failure or delay of a servicemember to make a  
23 payment related to an obligation or liability con-  
24 sisting of a mortgage, trust deed, or other security  
25 in the nature of a mortgage, shall not itself (without  
26 regard to other considerations) provide the basis for

1 an adverse report relating to the creditworthiness of  
2 the servicemember by or to a person engaged in the  
3 practice of assembling or evaluating consumer credit  
4 information if such servicemember notifies in good  
5 faith the creditor related to such obligation or liability  
6 that the funding gap is the cause of the failed  
7 or delayed payment.

8 “(e) FUNDING GAP DEFINED.—In this Act, the term  
9 ‘funding gap’ means—

10 “(1) any period of time after the beginning of  
11 a fiscal year for which interim or full-year appropriations  
12 for the personnel accounts of the Armed  
13 Forces for that fiscal year have not been enacted;  
14 and

15 “(2) any period of time in which the debt of the  
16 United States Government, as defined in section  
17 3101 of title 31, United States Code, reaches the  
18 statutory limit and the Secretary of Defense determines  
19 that sufficient amounts are not available in  
20 the personnel accounts of the Armed Forces to continue  
21 to provide pay and allowances (without interruption)  
22 to members of the Armed Forces.”.

1           (b) CLERICAL AMENDMENT.—The table of contents  
2 in section 1(b) of such Act is amended by inserting after  
3 the item relating to section 109 the following new item:

“Sec. 110. Protection of servicemembers during funding gap.”.

