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AB-1854 Service member protections. (2023-2024)

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Assembly Bill No. 1854

CHAPTER 144

An act to amend Section 800 of the Military and Veterans Code, relating to the military.

[Approved by Governor July 18, 2024. Filed with Secretary of State July 18, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1854, Schiavo. Service member protections.

Existing law authorizes a member of the United States Army Reserve or the National Guard who is called to active duty, as specified, to defer payments on certain obligations while serving on active duty. Existing law requires the reservist or the reservist's designee to deliver a written request for the deferral to the obligor in order to receive a deferral.

This bill would require a request for deferral to be submitted not later than 90 days following the period of active duty on which the deferral is based.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 800 of the Military and Veterans Code is amended to read:

800. (a) Subject to subdivision (b), in addition to any other benefits provided by law and to the extent permitted by federal law, a reservist who is called to active duty may defer payments on any of the following obligations while serving on active duty, or following a period of active duty:

- (1) An obligation secured by a mortgage or deed of trust.
- (2) Credit card as defined in Section 1747.02 of the Civil Code.
- (3) Retail installment contract as defined in Section 1802.6 of the Civil Code.
- (4) Retail installment account, installment account, or revolving account, as defined in Section 1802.7 of the Civil Code.
- (5) (A) Up to two vehicle loans.

(B) For purposes of this chapter, "vehicle" means a vehicle as defined in Section 670 of the Vehicle Code.

(6) A payment of property tax or any special assessment of in-lieu property tax imposed on real property that is assessed on residential property owned by the reservist and used as that reservist's primary place of residence on the date the reservist was ordered to active duty.

(7) An obligation owed to a utility company.

(8) A student loan.

(b) (1) In order for an obligation or liability of a reservist to be subject to the provisions of this chapter, the reservist or the reservist's designee shall deliver to the obligor both of the following:

(A) (i) A written request by or on behalf of the reservist for a deferment of financial obligations.

(ii) For purposes of this subparagraph, "written request" includes an electronic communication.

(B) A copy of the reservist's military orders.

(2) If required by a financial institution, proof that the reservist's employer does not provide continuing income to the reservist while the reservist is on active military duty, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(c) Upon request of the reservist or the reservist's dependent or designee and within five working days of that request, if applicable, the employer of a reservist shall furnish the letter or other comparable evidence showing that the employer's compensation policy does not provide continuing income to the reservist, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(d) (1) The deferral period on financial obligations shall be the lesser of 180 days or the period of active duty plus 60 calendar days. The deferral shall apply only to those payments due subsequent to the notice provided to a lender as provided in subdivision (b). In addition, the total period of the deferment shall not exceed 180 days within a 365-day period.

(2) A request for deferral shall be submitted no later than 90 days following the period of active duty on which the deferral is based.

(e) If a lender defers payments on a closed end credit obligation or an open-end credit obligation with a maturity date, pursuant to this chapter, the lender shall extend the term of the obligation by the amount of months the obligation was deferred. However, any mortgage payments deferred pursuant to this section are due and payable upon the sale of the property or other event specified in the documents creating the obligation permitting the lender to accelerate the loan, other than a deferral of payments under this section.

(f) If a lender defers payments on an open-end credit obligation pursuant to this chapter, the lender may restrict the availability of additional credit with respect to that obligation during the term of the deferral.

(g) The deferment of payments on an obligation does not limit the ability of the reservist or any other person to make payments on the obligation.