

**SOLDIERS' AND SAILORS' CIVIL RELIEF ACT**  
**50 APP. USC 501 *et. seq.***  
**(Amended as of January 1, 2001)**

**§ 501. Short title**

This Act [sections 501 to 593 of this Appendix] may be cited as the Soldiers' and Sailors' Civil Relief Act of 1940.

(Oct. 17, 1940, ch. 888, § 1, 54 Stat. 1178.)

**§ 510. Purpose; suspension of enforcement of civil liabilities**

In order to provide for, strengthen, and expedite the national defense under the emergent conditions which are threatening the peace and security of the United States and to enable the United States the more successfully to fulfill the requirements of the national defense, provision is made to suspend enforcement of civil liabilities, in certain cases, of persons in the military service of the United States in order to enable such persons to devote their entire energy to the defense needs of the Nation, and to this end the following provisions are made for the temporary suspension of legal proceedings and transactions which may prejudice the civil rights of persons in such service during the period herein specified over which this Act [sections 501 to 593 of this Appendix] remains in force.

(Oct. 17, 1940, ch. 888, art. I, § 100, 54 Stat. 1179.)

**§ 511. Definitions**

(1) The term "person in the military service", the term "persons in military service", and the term "persons in the military service of the United States", as used in this Act [sections 501 to 593 of this Appendix], shall include the following persons and not other: All members of the Army of the United States, the United States Navy, the Marine Corps, the Air Force, the Coast Guard, and all officers of the Public Health Service detailed by proper authority for duty either with the Army or the Navy. The term "military service", as used in this Act [said sections], shall signify Federal service on active duty with any branch of service heretofore referred to or mentioned as well as training or education under the supervision of the United States preliminary to induction into the military service. The terms "active service" or "active duty" shall include the period during which a person in military service is absent from duty on account of sickness, wounds, leave, or other lawful cause.

(2) The term "period of military service", as used in this Act [said sections], means, in the case of any person, the period beginning on the date on which the person enters active service and

ending on the date of the person's release from active service or death while in active service, but in no case later than the date when this Act [said sections] ceases to be in force.

(3) The term "person", when used in this Act [said sections], with reference to the holder of any right alleged to exist against a person in military service or against a person secondarily liable under such right, shall include individuals, partnerships, corporations, and any other forms of business association.

(4) The term "court", as used in this Act [said sections], shall include any court of competent jurisdiction of the United States or of any State, whether or not a court of record.

(Oct. 17, 1940, ch. 888, art. I, § 101, 54 Stat. 1179; Pub. L. 92-540, title V, § 504(1), Oct. 24, 1972, 86 Stat. 1098; Pub. L. 102-12, § 9(1), Mar. 18, 1991, 105 Stat. 38.)

### **§ 520. Default judgments; affidavits; bonds; attorneys for persons in service**

(1) In any action or proceeding commenced in any court, if there shall be a default of any appearance by the defendant, the plaintiff, before entering judgment shall file in the court an affidavit setting forth facts showing that the defendant is not in military service. If unable to file such affidavit plaintiff shall in lieu thereof file an affidavit setting forth either that the defendant is in the military service or that plaintiff is not able to determine whether or not defendant is in such service. If an affidavit is not filed showing that the defendant is not in the military service, no judgment shall be entered without first securing an order of court directing such entry, and no such order shall be made if the defendant is in such service until after the court shall have appointed an attorney to represent defendant and protect his interest, and the court shall on application make such appointment. Unless it appears that the defendant is not in such service the court may require, as a condition before judgment is entered, that the plaintiff file a bond approved by the court conditioned to indemnify the defendant, if in military service, against any loss or damage that he may suffer by reason of any judgment should the judgment be thereafter set aside in whole or in part. And the court may make such other and further order or enter such judgment as in its opinion may be necessary to protect the rights of the defendant under this Act [sections 501 to 593 of this Appendix]. Whenever, under the laws applicable with respect to any court, facts may be evidenced, established, or proved by an unsworn statement, declaration, verification, or certificate, in writing, subscribed and certified or declared to be true under penalty of perjury, the filing of such an unsworn statement, declaration, verification, or certificate shall satisfy the requirement of this subsection that facts be established by affidavit.

(2) Any person who shall make or use an affidavit required under this section, or a statement, declaration, verification, or certificate certified or declared to be true under penalty of perjury

permitted under subsection (1), knowing it to be false, shall be guilty of a misdemeanor and shall be punishable by imprisonment not to exceed one year or by fine not to exceed \$1,000, or both.

(3) In any action or proceeding in which a person in military service is a party if such party does not personally appear therein or is not represented by an authorized attorney, the court may appoint an attorney to represent him; and in such case a like bond may be required and an order made to protect the rights of such person. But no attorney appointed under this Act [sections 501 to 593 of this Appendix], to protect a person in military service shall have power to waive any right of the person for whom he is appointed or bind him by his acts.

(4) If any judgment shall be rendered in any action or proceeding governed by this section against any person in military service during the period of such service or within thirty days thereafter, and it appears that such person was prejudiced by reason of his military service in making his defense thereto, such judgment may, upon application, made by such person or his legal representative, not later than ninety days after the termination of such service, be opened by the court rendering the same and such defendant or his legal representative let in to defend; provided it is made to appear that the defendant has a meritorious or legal defense to the action or some part thereof. Vacating, setting aside, or reversing any judgment because of any of the provisions of this Act [said sections], shall not impair any right or title acquired by any bona fide purchaser for value under such judgment.

(Oct. 17, 1940, ch. 888, art. II, § 200, 54 Stat. 1180; Pub. L. 86-721, § 1, 2, Sept. 8, 1960, 74 Stat. 820.)

#### AMENDMENTS

1960--Subsec. (1). Pub. L. 86-721, § 1, permitted establishment of certain facts by a declaration under penalty of perjury in lieu of an affidavit.

Subsec. (2). Pub. L. 86-721, § 2, inserted "or a statement, declaration, verification, or certificate certified or declared to be true under penalty of perjury permitted under subsection (1)," after "affidavit required under this section,".

#### **§ 521. Stay of proceedings where military service affects conduct thereof**

At any stage thereof any action or proceeding in any court in which a person in military service is involved, either as plaintiff or defendant, during the period of such service or within sixty days thereafter may, in the discretion of the court in which it is pending, on its own motion, and shall, on application to it by such person or some person on his behalf, be stayed as provided in this Act [sections 501 to 593 of this Appendix] unless, in the opinion of the court, the ability of

plaintiff to prosecute the action or the defendant to conduct his defense is not materially affected by reason of his military service.

(Oct. 17, 1940, ch. 888, art. II, § 201, 54 Stat. 1181.)

#### **STAY OF JUDICIAL PROCEEDINGS**

Pub. L. 102-12, § 6, Mar. 18, 1991, 105 Stat. 37, provided that:

"(a) Stay of Action or Proceeding.--In any judicial action or proceeding (other than a criminal proceeding) in which a member of the Armed Forces described in subsection (b) is involved (either as plaintiff or defendant), the court shall, upon application by such member (or some other person on the member's behalf) at any stage before final judgment is entered, stay the action or proceeding until a date after June 30, 1991.

"(b) Members Covered.--A member of the Armed Forces is covered by subsection (a) if at the time of application for the stay of a judicial action or proceeding the member--

"(1) is on active duty; and

"(2) is serving outside the State in which the court having jurisdiction over the action or proceeding is located.

"(c) Definition.--For purposes of this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam."

#### **§ 522. Fines and penalties on contracts, etc.**

When an action for compliance with the terms of any contract is stayed pursuant to this Act [sections 501 to 593 of this Appendix] no fine or penalty shall accrue by reason of failure to comply with the terms of such contract during the period of such stay, and in any case where a person fails to perform any obligation and a fine or penalty for such nonperformance is incurred a court may, on such terms as may be just, relieve against the enforcement of such fine or penalty if it shall appear that the person who would suffer by such fine or penalty was in the military service when the penalty was incurred and that by reason of such service the ability of such person to pay or perform was thereby materially impaired.

(Oct. 17, 1940, ch. 888, art. II, § 202, 54 Stat. 1181.)

#### **§ 523. Stay or vacation of execution of judgments, attachments, etc.**

In any action or proceeding commenced in any court against a person in military service, before or during the period of such service, or within sixty days thereafter, the court may, in its discretion, on its own motion, or on application to it by such person or some person on his behalf shall, unless in the opinion of the court the ability of the defendant to comply with the judgment or order entered or sought is not materially affected by reason of his military service--

(a) Stay the execution of any judgment or order entered against such person, as provided in this Act [sections 501 to 593 of this Appendix]; and

(b) Vacate or stay any attachment or garnishment of property, money, or debts in the hands of another, whether before or after judgment as provided in this Act [said sections].

(Oct. 17, 1940, ch. 888, art. II, § 203, 54 Stat. 1181.)

#### **§ 524. Duration and term of stays; codefendants not in service**

Any stay of any action, proceeding, attachment, or execution, ordered by any court under the provisions of this Act [sections 501 to 593 of this Appendix] may, except as otherwise provided, be ordered for the period of military service and three months thereafter or any part of such period, and subject to such terms as may be just, whether as to payment in installments of such amounts and at such times as the court may fix or otherwise. Where the person in military service is a codefendant with others the plaintiff may nevertheless by leave of court proceed against the others.

(Oct. 17, 1940, ch. 888, art. II, § 204, 54 Stat. 1181.)

#### **§ 525. Statutes of limitations as affected by period of service**

The period of military service shall not be included in computing any period now or hereafter to be limited by any law, regulation, or order for the bringing of any action or proceeding in any court, board, bureau, commission, department, or other agency of government by or against any person in military service or by or against his heirs, executors, administrators, or assigns, whether such cause of action or the right or privilege to institute such action or proceeding shall have accrued prior to or during the period of such service, nor shall any part of such period which occurs after October 6, 1942 be included in computing any period now or hereafter provided by any law for the redemption of real property sold or forfeited to enforce any obligation, tax, or assessment.

(Oct. 17, 1940, ch. 888, art. II, § 205, 54 Stat. 1181; Oct. 6, 1942, ch. 581, § 5, 56 Stat. 770; Pub. L. 102-12, § 9(6), Mar. 18, 1991, 105 Stat. 39.)

### **§ 526. Maximum rate of interest**

No obligation or liability bearing interest at a rate in excess of 6 percent per year incurred by a person in military service before that person's entry into that service shall, during any part of the period of military service, bear interest at a rate in excess of 6 percent per year unless, in the opinion of the court, upon application thereto by the obligee, the ability of such person in military service to pay interest upon such obligation or liability at a rate in excess of 6 percent per year is not materially affected by reason of such service, in which case the court may make such order as in its opinion may be just. As used in this section the term "interest" includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) in respect of such obligation or liability.

(Oct. 17, 1940, ch. 888, art. II, § 206, as added Oct. 6, 1942, ch. 581, § 6, 56 Stat. 771; amended Pub. L. 102-12, § 9(7), Mar. 18, 1991, 105 Stat. 39.)

### **§ 527. Limitations prescribed by internal revenue laws as affected by period of service**

Section 205 of this Act [section 525 of this Appendix] shall not apply with respect to any period of limitation prescribed by or under the internal revenue laws of the United States.

(Oct. 17, 1940, ch. 888, art. II, § 207, as added Oct. 21, 1942, ch. 619, title V, § 507(b)(2)(B), 56 Stat. 964.)

### **§ 530. Eviction or distress during military service; stay; penalty for noncompliance; allotment of pay for payment**

(a) No eviction or distress shall be made during the period of military service in respect of any premises for which the agreed rent does not exceed \$1,200 per month, occupied chiefly for dwelling purposes by the wife, children, or other dependents of a person in military service, except upon leave of court granted upon application therefor or granted in an action or proceeding affecting the right of possession.

(b) On any such application or in any such action the court may, in its discretion, on its own motion, and shall, on application, unless in the opinion of the court the ability of the tenant to pay the agreed rent is not materially affected by reason of such military service, stay the proceedings for not longer than three months, as provided in this Act [sections 501 to 593 of this Appendix], or it may make such other order as may be just. Where such stay is granted or other order is made by the court, the owner of the premises shall be entitled, upon application therefor, to relief in respect of such premises similar to that granted persons in military service in sections

301, 302, and 500 of this Act [sections 531, 532, and 560 of this Appendix] to such extent and for such period as may appear to the court to be just.

(c) Any person who shall knowingly take part in any eviction or distress otherwise than as provided in subsection (a), or attempts so to do, shall be fined as provided in title 18, United States Code, or imprisoned for not to exceed one year, or both.

(d) The Secretary of Defense or Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy, is empowered, subject to such regulations as he may prescribe, to order an allotment of the pay of a person in military service in reasonable proportion to discharge the rent of premises occupied for dwelling purposes by the wife, children, or other dependents of such person.

(Oct. 17, 1940, ch. 888, art. III, § 300, 54 Stat. 1181; Oct. 6, 1942, ch. 581, § 8, 56 Stat. 771; Pub. L. 89-358, § 10, Mar. 3, 1966, 80 Stat. 28; Pub. L. 102-12, § 2(a), (b), 9(8), Mar. 18, 1991, 105 Stat. 34, 39.)

### **§ 531. Installment contracts for purchase of property**

(1) No person who has received, or whose assignor has received, under a contract for the purchase of real or personal property, or of lease or bailment with a view to purchase of such property, a deposit or installment of the purchase price, or a deposit or installment under the contract, lease, or bailment, from a person or from the assignor of a person who, after the date of payment of such deposit or installment, has entered military service, shall exercise any right or option under such contract to rescind or terminate the contract or resume possession of the property for nonpayment of any installment thereunder due or for any other breach of the terms thereof occurring prior to or during the period of such military service, except by action in a court of competent jurisdiction.

(2) Any person who shall knowingly resume possession of property which is the subject of this section otherwise than as provided in subsection (1) of this section or in section 107 [section 517 of this Appendix], or attempts so to do, shall be fined as provided in title 18, United States Code, or imprisoned for not to exceed one year, or both.

(3) Upon the hearing of such action the court may order the repayment of prior installments or deposits or any part thereof, as a condition of terminating the contract and resuming possession of the property, or may, in its discretion, on its own motion, and shall, on application to it by such person in military service or some person on his behalf, order a stay of proceedings as provided in this Act [sections 501 to 593 of this Appendix] unless, in the opinion of the court, the ability of the defendant to comply with the terms of the contract is not materially affected by

reason of such service; or it may make such other disposition of the case as may be equitable to conserve the interests of all parties.

(Oct. 17, 1940, ch. 888, art. III, § 301, 54 Stat. 1182; Oct. 6, 1942, ch. 581, § 9(a), (c), (d), 56 Stat. 771; Pub. L. 102-12, § 9(9), Mar. 18, 1991, 105 Stat. 40.)

**§ 532. Mortgages, trust deeds, etc.**

(1) The provisions of this section shall apply only to obligations secured by mortgage, trust deed, or other security in the nature of a mortgage upon real or personal property owned by a person in military service at the commencement of the period of the military service and still so owned by him which obligations originated prior to such person's period of military service.

(2) In any proceeding commenced in any court during the period of military service to enforce such obligation arising out of nonpayment of any sum thereunder due or out of any other breach of the terms thereof occurring prior to or during the period of such service the court may, after hearing, in its discretion, on its own motion, and shall, on application to it by such person in military service or some person on his behalf, unless in the opinion of the court the ability of the defendant to comply with the terms of the obligation is not materially affected by reason of his military service--

(a) stay the proceedings as provided in this Act [sections 501 to 593 of this Appendix]; or

(b) make such other disposition of the case as may be equitable to conserve the interests of all parties.

(3) No sale, foreclosure, or seizure of property for nonpayment of any sum due under any such obligation, or for any other breach of the terms thereof, whether under a power of sale, under a judgment entered upon warrant of attorney to confess judgment contained therein, or otherwise, shall be valid if made during the period of military service or within three months thereafter, except pursuant to an agreement as provided in section 107 [section 517 of this Appendix], unless upon an order previously granted by the court and a return thereto made and approved by the court.

(4) Any person who shall knowingly make or cause to be made any sale, foreclosure, or seizure of property, defined as invalid by subsection (3) hereof, or attempts so to do, shall be fined as provided in title 18, United States Code, or imprisoned for not to exceed one year, or both.

(Oct. 17, 1940, ch. 888, art. III, § 302, 54 Stat. 1182; Oct. 6, 1942, ch. 581, § 9(b), (c), 10, 56 Stat. 771, 772; June 23, 1952, ch. 450, 66 Stat. 151; Pub. L. 102-12, § 9(9), (10), Mar. 18, 1991, 105 Stat. 40.)

**§ 533. Settlement of cases involving stayed proceedings to foreclose mortgage on, resume possession of, or terminate contract for purchase of, personal property**

Where a proceeding to foreclose a mortgage upon or to resume possession of personal property, or to rescind or terminate a contract for the purchase thereof, has been stayed as provided in this Act [sections 501 to 593 of this Appendix], the court may, unless in its opinion an undue hardship would result to the dependents of the person in military service, appoint three disinterested parties to appraise the property and, based upon the report of the appraisers, order such sum, if any, as may be just, paid to the person in military service or his dependent, as the case may be, as a condition of foreclosing the mortgage, resuming possession of the property, or rescinding or terminating the contract.

(Oct. 17, 1940, ch. 888, art. III, § 303, as added Oct. 6, 1942, ch. 581, § 12, 56 Stat. 772.)

**§ 534. Termination of leases by lessees**

(1) The provisions of this section shall apply to any lease covering premises occupied for dwelling, professional, business, agricultural, or similar purposes in any case in which (a) such lease was executed by or on the behalf of a person who, after the execution of such lease, entered military service, and (b) the premises so leased have been occupied for such purposes, or for a combination of such purposes, by such person or by him and his dependents.

(2) Any such lease may be terminated by notice in writing delivered to the lessor (or his grantee) or to the lessor's (or his grantee's) agent by the lessee at any time following the date of the beginning of his period of military service. Delivery of such notice may be accomplished by placing it in an envelope properly stamped and duly addressed to the lessor (or his grantee) or to the lessor's (or his grantee's) agent and depositing the notice in the United States mails.

Termination of any such lease providing for monthly payment of rent shall not be effective until thirty days after the first date on which the next rental payment is due and payable subsequent to the date when such notice is delivered or mailed. In the case of all other leases, termination shall be effected on the last day of the month following the month in which such notice is delivered or mailed and in such case any unpaid rental for a period preceding termination shall be proratably computed and any rental paid in advance for a period succeeding termination shall be refunded by the lessor (or his assignee). Upon application by the lessor to the appropriate court prior to the termination period provided for in the notice, any relief granted in this subsection shall be subject

to such modifications or restrictions as in the opinion of the court justice and equity may in the circumstances require.

(3) Any person who shall knowingly seize, hold, or detain the personal effects, clothing, furniture, or other property of any person who has lawfully terminated a lease covered by this section, or in any manner interfere with the removal of such property from the premises covered by such lease, for the purpose of subjecting or attempting to subject any of such property to a claim for rent accruing subsequent to the date of termination of such lease, or attempts so to do, shall be fined as provided in title 18, United States Code, or imprisoned for not to exceed one year, or both.

(Oct. 17, 1940, ch. 888, art. III, § 304, as added Oct. 6, 1942, ch. 581, § 12, 56 Stat. 772; amended Pub. L. 102-12, § 9(9), Mar. 18, 1991, 105 Stat. 40.)

**§ 535. Protection of assignor of life insurance policy; enforcement of storage liens; penalties**

(1) Where any life insurance policy on the life of a person in military service has been assigned prior to such person's period of military service to secure the payment of any obligation of such person, no assignee of such policy (except the insurer in connection with a policy loan) shall, during the period of military service of the insured or within one year thereafter, except upon the consent in writing of the insured made during such period or when the premiums thereon are due and unpaid or upon the death of the insured, exercise any right or option by virtue of such assignment unless upon leave of court granted upon an application made therefor by such assignee. The court may thereupon refuse to grant such leave unless in the opinion of the court the ability of the obligor to comply with the terms of the obligation is not materially affected by reason of his military service. For the purpose of this subsection premiums which are guaranteed under the provisions of article IV of this Act [sections 540 to 548 of this Appendix] shall not be deemed to be due and unpaid.

(2) No person shall exercise any right to foreclose or enforce any lien for storage of household goods, furniture, or personal effects of a person in military service during such person's period of military service and for three months thereafter except upon an order previously granted by a court upon application therefor and a return thereto made and approved by the court. In such proceeding the court may, after hearing, in its discretion, on its own motion, and shall, on application to it by such person in military service or some person on his behalf, unless in the opinion of the court the ability of the defendant to pay the storage charges due is not materially affected by reason of his military service--

(a) stay the proceedings as provided in this Act [sections 501 to 593 of this Appendix]; or

(b) make such other disposition of the case as may be equitable to conserve the interest of all parties.

The enactment of the provisions of this subsection shall not be construed in any way as affecting or as limiting the scope of section 302 of this Act [section 532 of this Appendix].

(3) Any person who shall knowingly take any action contrary to the provisions of this section, or attempts so to do, shall be fined as provided in title 18, United States Code, or imprisoned for not to exceed one year, or both.

(Oct. 17, 1940, ch. 888, art. III, § 305, as added Oct. 6, 1942, ch. 581, § 12, 56 Stat. 773; amended Pub. L. 102-12, § 9(9), Mar. 18, 1991, 105 Stat. 40.)

### **§ 536. Extension of benefits to dependents**

Dependents of a person in military service shall be entitled to the benefits accorded to persons in military service under the provisions of this article [sections 530 to 536 of this Appendix] upon application to a court therefor, unless in the opinion of the court the ability of such dependents to comply with the terms of the obligation, contract, lease, or bailment has not been materially impaired by reason of the military service of the person upon whom the applicants are dependent.

(Oct. 17, 1940, ch. 888, art. III, § 306, as added Oct. 6, 1942, ch. 581, § 12, 56 Stat. 773.)

### **§ 540. Definitions**

As used in this article [sections 540 to 548 of this Appendix]--

(a) The term "policy" shall include any contract of life insurance or policy on a life, endowment, or term plan, including any benefit in the nature of life insurance arising out of membership in any fraternal or beneficial association, which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums if the insured engages in the military service of the United States as defined in section 101 of article I of this Act [section 511 of this Appendix] or which does not contain any limitation or restriction upon coverage relating to engagement in or pursuit of certain types of activities which a person might be required to engage in by virtue of his being in such military service, and (1) which is in force on a premium-paying basis at the time of application for benefits hereunder, and (2) which was made and a premium paid thereon not less than 180 days before the date the insured entered into the military service. The provisions of this Act [sections 501 to 593 of this Appendix] shall not be applicable to policies or contracts of life insurance issued under the War Risk Insurance Act,

as amended, the World War Veterans Act, as amended, or the National Service Life Insurance Act of 1940, as amended.

(b) The term "premium" shall include the amount specified in the policy as the stipend to be paid by the insured at regular intervals during the period therein stated.

(c) The term "insured" shall include any person in the military service of the United States as defined in section 101, article I, of this Act [section 511 of this Appendix], whose life is insured under and who is the owner and holder of and has an interest in a policy as above defined.

(d) The term "insurer" shall include any firm, corporation, partnership, or association chartered or authorized to engage in the insurance business and to issue a policy as above defined by the laws of a State of the United States or the United States.

(Oct. 17, 1940, ch. 888, art. IV, § 400, 54 Stat. 1183; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 773; July 11, 1956, ch. 570, § 1, 70 Stat. 528; Pub. L. 102-12, § 9(11), Mar. 18, 1991, 105 Stat. 40.)

#### **§ 541. Persons entitled to benefits of article; applications; amount of insurance protected**

The benefits and privileges of this article [sections 540 to 548 of this Appendix] shall apply to any insured, when such insured, or a person designated by him, or, in case the insured is outside the continental United States (excluding Alaska and the Panama Canal Zone), a beneficiary, shall make written application for protection under this article [said sections], unless the Secretary of Veterans Affairs in passing upon such application as provided in this article [said sections] shall find that the policy is not entitled to protection hereunder. The Secretary shall give notice to the military and naval authorities of the provisions of this article [said sections], and shall include in such notice an explanation of such provisions for the information of those desiring to make application for the benefits thereof. The original of such application shall be sent by the insured to the insurer, and a copy thereof to the Secretary. The total amount of insurance on the life of one insured under policies protected by the provisions of this article [said sections] shall not exceed \$10,000. If an insured makes application for protection of policies on his life totaling insurance in excess of \$10,000, the Secretary is authorized to have the amount of insurance divided into two or more policies so that the protection of this article [said sections] may be extended to include policies for a total amount of insurance not to exceed \$10,000, and a policy which affords the best security to the Government shall be given preference.

(Oct. 17, 1940, ch. 888, art. IV, § 401, 54 Stat. 1183; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 774; Pub. L. 102-12, § 9(12), Mar. 18, 1991, 105 Stat. 40.)

**§ 542. Form of application; reports to Secretary of Veterans Affairs by insurer; policy deemed modified upon application for protection**

Any writing signed by the insured and identifying the policy and the insurer, and agreeing that his rights under the policy are subject to and modified by the provisions of this article [sections 540 to 548 of this Appendix], shall be sufficient as an application for the benefits of this article [said sections], but the Secretary of Veterans Affairs may require the insured and insurer to execute such other forms as may be deemed advisable. Upon receipt of the application of the insured the insurer shall furnish such report to the Secretary concerning the policy as shall be prescribed by regulations. The insured who has made application for protection under this article [said sections] and the insurer shall be deemed to have agreed to such modification of the policy as may be required to give this article [said sections] full force and effect with respect to such policy.

(Oct. 17, 1940, ch. 888, art. IV, § 402, 54 Stat. 1183; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 774; Pub. L. 102-12, § 9(13), Mar. 18, 1991, 105 Stat. 40.)

**§ 543. Determination of policies entitled to protection; notice to parties; lapse of policies for nonpayment of premiums, etc.**

The Secretary of Veterans Affairs shall find whether the policy is entitled to protection under this article [sections 540 to 548 of this Appendix] and shall notify the insured and the insurer of such finding. Any policy found by the Secretary to be entitled to protection under this article [said sections] shall not, subsequent to date of application, and during the period of military service of the insured or during two years after the expiration of such service, lapse or otherwise terminate or be forfeited for the nonpayment of a premium becoming due and payable, or the nonpayment of any indebtedness or interest.

(Oct. 17, 1940, ch. 888, art. IV, § 403, 54 Stat. 1184; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 775; Pub. L. 102-12, § 9(14), Mar. 18, 1991, 105 Stat. 40.)

**§ 544. Rights and privileges of insured during period of protection**

No dividend or other monetary benefit under a policy shall be paid to an insured or used to purchase dividend additions while a policy is protected by the provisions of this article [sections 540 to 548 of this Appendix] except with the consent and approval of the Secretary of Veterans Affairs. If such consent is not procured, such dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer. No cash value, loan value, or withdrawal of dividend accumulation, or unearned premium, or other value of similar character shall be available to the insured while the policy is protected under this article

[said sections] except upon approval by the Secretary of Veterans Affairs. The insured's right to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this article [said sections].

(Oct. 17, 1940, ch. 888, art. IV, § 404, 54 Stat. 1184; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 775; Pub. L. 102-12, § 9(15), Mar. 18, 1991, 105 Stat. 40.)

**§ 545. Deduction of unpaid premiums upon settlement of policies maturing during protection**

In the event of maturity of a policy as a death claim or otherwise before the expiration of the period of protection under the provisions of this article [sections 540 to 548 of this Appendix], the insurer in making settlement will deduct from the amount of insurance the premiums guaranteed under this article [said sections], together with interest thereon at the rate fixed in the policy for policy loans. If no rate of interest is specifically fixed in the policy, the rate shall be the rate fixed for policy loans in other policies issued by the insurer at the time the policy brought under the Act [sections 501 to 593 of this Appendix] was issued. The amount deducted by reason of the protection afforded by this article [sections 540 to 548 of this Appendix] shall be reported by the insurer to the Secretary of Veterans Affairs.

(Oct. 17, 1940, ch. 888, art. IV, § 405, 54 Stat. 1184; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 775; Pub. L. 102-12, § 9(16), Mar. 18, 1991, 105 Stat. 40.)

**§ 546. Guaranty of premiums and interest by United States; settlement of amounts due upon expiration of protection; subrogation of United States; crediting debt repayments**

Payment of premiums and interest thereon at the rate specified in section 405 hereof [section 545 of this Appendix] becoming due on a policy while protected under the provisions of this article [sections 540 to 548 of this Appendix] is guaranteed by the United States, and if the amount so guaranteed is not paid to the insurer prior to the expiration of the period of insurance protection under this article [said sections], the amount then due shall be treated by the insurer as a policy loan on such policy, but if at the expiration of said period the cash surrender value is less than the amount then due, the policy shall then cease and terminate and the United States shall pay the insurer the difference between such amount and the cash surrender value. The amount paid by the United States to an insurer on account of applications approved under the provisions of this article, as amended [said sections], shall become a debt due to the United States by the insured on whose account payment was made and, notwithstanding any other Act, such amount may be collected either by deduction from any amount due said insured by the United States or as otherwise authorized by law. Any moneys received as repayment of debts incurred under this

article, as originally enacted and as amended [said sections], shall be credited to the appropriation for the payment of claims under this article [said sections].

(Oct. 17, 1940, ch. 888, art. IV, § 406, 54 Stat. 1184; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 775; Apr. 3, 1948, ch. 170, § 6, 62 Stat. 160.)

#### **§ 547. Regulations; finality of determinations**

The Secretary of Veterans Affairs shall provide by regulations for such rules of procedure and forms as he may deem advisable in carrying out the provisions of this article [sections 540 to 548 of this Appendix]. The findings of fact and conclusions of law made by the Secretary in administering the provisions of this article [said sections] shall be final, and shall not be subject to review by any other official or agency of the Government.

(Oct. 17, 1940, ch. 888, art. IV, § 407, 54 Stat. 1185; Oct. 6, 1942, ch. 581, § 13, 56 Stat. 775; Pub. L. 85-857, § 14(76), Sept. 2, 1958, 72 Stat. 1272; Pub. L. 102-12, § 9(17), Mar. 18, 1991, 105 Stat. 40.)

#### **§ 560. Taxes respecting personalty, money, credits, or realty; sale of property to enforce collection; redemption of property sold; penalty for nonpayment; notice of rights to beneficiaries of section**

(1) The provisions of this section shall apply when any taxes or assessments, whether general or special (other than taxes on income), whether falling due prior to or during the period of military service, in respect of personal property, money, or credits, or real property owned and occupied for dwelling, professional, business, or agricultural purposes by a person in military service or his dependents at the commencement of his period of military service and still so occupied by his dependents or employees are not paid.

(2) No sale of such property shall be made to enforce the collection of such tax or assessment, or any proceeding or action for such purpose commenced, except upon leave of court granted upon application made therefor by the collector of taxes or other officer whose duty it is to enforce the collection of taxes or assessments. The court thereupon, unless in its opinion the ability of the person in military service to pay such taxes or assessments is not materially affected by reason of such service, may stay such proceedings or such sale, as provided in this Act [sections 501 to 593 of this Appendix], for a period extending not more than six months after the termination of the period of military service of such person.

(3) When by law such property may be sold or forfeited to enforce the collection of such tax or assessment, such person in military service shall have the right to redeem or commence an action

to redeem such property, at any time not later than six months after the termination of such service, but in no case later than six months after the date when this Act [said sections] ceases to be in force; but this shall not be taken to shorten any period, now or hereafter provided by the laws of any State or Territory for such redemption.

(4) Whenever any tax or assessment shall not be paid when due, such tax or assessment due and unpaid shall bear interest until paid at the rate of 6 per centum per annum, and no other penalty or interest shall be incurred by reason of such nonpayment. Any lien for such unpaid taxes or assessment shall also include such interest thereon.

(Oct. 17, 1940, ch. 888, art. V, § 500, 54 Stat. 1186; Oct. 6, 1942, ch. 581, § 14, 56 Stat. 776.)

### **§ 561. Rights to public lands not forfeited; grazing lands**

(1) No right to any lands owned or controlled by the United States initiated or acquired under any laws of the United States, including the mining and mineral leasing laws, by any person prior to entering military service shall during the period of such service be forfeited or prejudiced by reason of his absence from the land or his failure to perform any work or make any improvements thereon or his failure to do any other act required by or under such laws.

(2) If a permittee or licensee under the Act of June 28, 1934 (48 Stat. 1269) [43 U.S.C. 315 et seq.] enters military service, he may elect to suspend his permit or license for the period of his military service and six months thereafter, and the Secretary of the Interior by regulations shall provide for such suspension of permits and licenses and for the remission, reduction, or refund of grazing fees during such suspension.

(3) This section shall not be construed to control specific requirements contained in this article [sections 560 to 574 of this Appendix].

(Oct. 17, 1940, ch. 888, art. V, § 501, 54 Stat. 1187.)

### **§ 562. Homestead entries and settlement claims; service as equivalent to residence and cultivation**

If any person whose application for a homestead entry has been allowed or who has made application for homestead entry which may thereafter be allowed, after such entry or application enters military service, or if any person who has a valid settlement claim enters military service, the Department of the Interior shall construe his military service to be equivalent to residence and cultivation upon the tract entered or settled upon for the period of such service. From the effective date of this Act [Oct. 17, 1940] no contest shall be initiated on the ground of

abandonment and no allegation of abandonment shall be sustained against any such person, unless it shall be alleged in the preliminary affidavit or affidavits of contest and proved at the hearing in cases initiated subsequent to the effective date of this Act [Oct. 17, 1940] that the alleged absence from the land was not due to such military service. If such person is discharged on account of wounds received or disability incurred in the line of duty, the term of his enlistment and any period of hospitalization due to such wounds or disability shall be deducted from the required length of residence, without reference to the time of actual service. No patent shall issue to any such person who has not resided upon, improved, and cultivated his homestead for a period of at least one year.

(Oct. 17, 1940, ch. 888, art. V, § 502, 54 Stat. 1187.)

**§ 563. Death or incapacity during or resulting from service as affecting rights; perfection of rights**

(1) If any person whose application for a homestead entry has been allowed or who has made application for homestead entry which may thereafter be allowed or who has a valid settlement claim dies while in military service or as a result of such service, his widow, if unmarried, or in the case of her death or marriage, his minor children, or his or their legal representatives, may proceed forthwith to make final proof upon such entry or upon an application which is allowed after the applicant's death, or upon a homestead application thereafter allowed based on a valid settlement claim, and shall be entitled to receive a patent for such land. The death of such person while in military service or as a result of such service shall be construed to be equivalent to a performance of all requirements as to residence and cultivation upon such homestead or claim, notwithstanding the provisions of section 502 of this Act [section 562 of this Appendix].

(2) If such person is honorably discharged and because of physical incapacities due to such service is unable to return to the land, he may make final proof without further residence, improvement, or cultivation, at such time and place as the Secretary of the Interior may authorize, and receive a patent to the land entered.

(3) The Act of July 28, 1917 (40 Stat. 248) [43 U.S.C. 241, 242], is repealed.

(Oct. 17, 1940, ch. 888, art. V, § 503, 54 Stat. 1187.)

**§ 564. Desert-land entries; suspension of requirements**

(1) No desert-land entry made or held under the desert-land laws prior to the entrance of the entryman or his successor in interest into military service shall be subject to contest or cancelation for failure to make or expend the sum of \$1 per acre per year in improvements upon

the claim or to effect the reclamation of the claim during the period the entryman or his successor in interest is engaged in military service or during a period of six months thereafter or during any period of hospitalization because of wounds or disability incurred in the line of duty. The time within which such entryman or claimant is required to make such expenditures and effect reclamation of the land shall be exclusive of his period of service and the six-months' period and any such period of hospitalization.

(2) If such entryman or claimant is honorably discharged and because of physical incapacities due to such service is unable to accomplish reclamation of, and payment for, the land, he may make proof without further reclamation or payments under such rules as the Secretary of the Interior may prescribe and receive patent for the land entered or claimed.

(3) In order to obtain the benefits of this section, such entryman or claimant shall, within six months after his entrance into military service, file or cause to be filed in the land office of the district in which his claim is situated a notice that he has entered military service and that he desires to hold the desert claim under this section.

(Oct. 17, 1940, ch. 888, art. V, § 504, 54 Stat. 1187; Pub. L. 102-12, § 9(19), Mar. 18, 1991, 105 Stat. 40.)

#### **§ 565. Mining claims; requirements suspended**

(1) The provisions of section 2324 of the Revised Statutes of the United States (30 U.S.C. 28), which require that on each mining claim located after May 10, 1872, and until patent has been issued therefor not less than \$100 worth of labor shall be performed or improvements made during each year, shall not apply during the period of his service, or until six months after the termination of such service, or during any period of hospitalization because of wounds or disability incurred in line of duty, to claims or interests in claims which are owned by a person in military service and which have been regularly located and recorded. No mining claim or any interest in a claim which is owned by such a person and which has been regularly located and recorded shall be subject to forfeiture by nonperformance of the annual assessments during the period of such military service, or until six months after the termination of such service or of such hospitalization.

(2) In order to obtain the benefits of this section, the claimant of any mining location shall, before the expiration of the assessment year during which he enters military service, file or cause to be filed in the office where the location notice or certificate is recorded a notice that he has entered such service and that he desires to hold his mining claim under this section.

(Oct. 17, 1940, ch. 888, art. V, § 505, 54 Stat. 1188; Pub. L. 102-12, § 9(20), Mar. 18, 1991, 105 Stat. 41.)

**§ 566. Mineral permits and leases; suspension of operations and term of permits and leases**

(1) Any person holding a permit or lease on the public domain under the Federal mineral leasing laws who enters military service may, at his election, suspend all operations under his permit or lease for a period of time equivalent to the period of his military service and six months thereafter. The term of the permit or lease shall not run during such period of suspension nor shall any rentals or royalties be charged against the permit or lease during the period of suspension.

(2) In order to obtain the benefit of this section, such permittee or lessee shall, within six months after his entrance into military service, notify the Bureau of Land Management by registered mail of his entrance into such service and of his desire to avail himself of the benefits of this section.

(3) This section shall not be construed to supersede the terms of any contract for operation of a permit or lease.

(Oct. 17, 1940, ch. 888, art. V, § 506, 54 Stat. 1188; Pub. L. 102-12, § 9(21), Mar. 18, 1991, 105 Stat. 41.)

**§ 567. Right to take action for perfection, defense, etc., of rights as unaffected; affidavits and proofs**

Nothing in this article [sections 560 to 574 of this Appendix] shall be construed to limit or affect the right of a person in military service to take any action during his period of service which may be authorized by law or the regulations of the Department of the Interior for the perfection, defense, or further assertion of rights initiated or acquired prior to the date of entering military service. It shall be lawful for any person while in such service to make any affidavit or submit any proof which may be required by law or the practice or regulations of the Bureau of Land Management in connection with the entry, perfection, defense, or further assertion of any rights initiated or acquired prior to entering such service, before the officer in immediate command and holding a commission in the branch of the service in which the person is engaged. Such affidavits shall be as binding in law and with like penalties as if taken before an officer designated by the Secretary of the Interior. The Secretary of the Interior may issue rules and regulations to effectuate the purposes of sections 501 to 512 [sections 561 to 572 of this Appendix].

(Oct. 17, 1940, ch. 888, art. V, § 507, 54 Stat. 1188; Pub. L. 102-12, § 9(22), Mar. 18, 1991, 105 Stat. 41.)

**§ 568. Irrigation rights; residence requirements suspended**

The Secretary of the Interior is authorized, in his discretion, to suspend as to persons in military service during the period while this Act [sections 501 to 593 of this Appendix] remains in force and for a period of six months thereafter or during any period of hospitalization because of wounds or disability incurred in line of duty that provision of the act known as the "Reclamation Act" requiring residence upon lands in private ownership or within the neighborhood for securing water for the irrigation of the same [43 U.S.C. 431], and he is authorized to permit the use of available water thereon upon such terms and conditions as he may deem proper.

(Oct. 17, 1940, ch. 888, art. V, § 508, 54 Stat. 1189.)

**§ 569. Distribution of information concerning benefits of article; forms**

The Secretary of the Interior shall issue through appropriate military and naval channels a notice for distribution by appropriate military and naval authorities to persons in the military service explaining the provisions of this article [sections 560 to 574 of this Appendix] except as to sections 500, 513, and 514 hereof [sections 560, 573, and 574 of this Appendix] and shall furnish forms to be distributed in like manner to those desiring to make application for its benefits, except as to said sections.

(Oct. 17, 1940, ch. 888, art. V, § 509, 54 Stat. 1189; Oct. 6, 1942, ch. 581, § 15, 56 Stat. 776.)

**§ 570. Homestead entrymen permitted to leave entries to perform farm labor**

(1) During the pendency of any war in which the United States may be engaged while this Act [sections 501 to 593 of this Appendix] remains in force any homestead entryman shall be entitled to a leave of absence from his entry for the purpose of performing farm labor. The time actually spent in farm labor shall be counted as constructive residence, if within fifteen days after leaving his entry to engage in such labor the entryman files a notice of absence in the land office of the district in which his entry is situated, and if at the expiration of the calendar year the entryman files in that office a written statement under oath and corroborated by two witnesses giving the date or dates when he left his entry, the date or dates of his return, and the place where and person for whom he was engaged in farm labor during such period or periods of absence.

(2) Nothing in this section shall excuse any homestead entryman from making improvements or performing the cultivation upon his entry required by law. The provisions of this section shall apply only to persons whose applications have been allowed or filed before October 17, 1940.

(Oct. 17, 1940, ch. 888, art. V, § 510, 54 Stat. 1189; Pub. L. 102-12, § 9(23), Mar. 18, 1991, 105 Stat. 41.)

### **§ 571. Land rights of persons under 21**

Any person under the age of twenty-one who serves in the military service while this Act [sections 501 to 593 of this Appendix] remains in force shall be entitled to the same rights under the laws relating to lands owned or controlled by the United States, including the mining and mineral leasing laws, as those over twenty-one now possess under such laws. Any requirements as to establishment of residence within a limited time shall be suspended as to entry by such person until six months after his discharge from military service. Applications for entry may be verified before any officer in the United States or any foreign country authorized to administer oaths by the laws of the State or Territory in which the land may be situated.

(Oct. 17, 1940, ch. 888, art. V, § 511, 54 Stat. 1189.)

### **§ 572. Extension of benefits to persons serving with war allies of United States**

Citizens of the United States who serve with the forces of any nation with which the United States may be allied in the prosecution of any war in which the United States engages while this Act [sections 501 to 593 of this Appendix] remains in force shall be entitled to the relief and benefits afforded by sections 501 to 511, inclusive [sections 561 to 571 of this Appendix], if such service is similar to military service as defined in this Act [sections 501 to 593 of this Appendix], and if they are honorably discharged and resume United States citizenship or die in the service of the allied forces or as a result of such service.

(Oct. 17, 1940, ch. 888, art. V, § 512, 54 Stat. 1190; Oct. 6, 1942, ch. 581, § 16, 56 Stat. 776.)

### **§ 573. Income taxes; collection deferred; interest; statute of limitations**

The collection from any person in the military service of any tax on the income of such person, whether falling due prior to or during his period of military service, shall be deferred for a period extending not more than six months after the termination of his period of military service if such person's ability to pay such tax is materially impaired by reason of such service. No interest on any amount of tax, collection of which is deferred for any period under this section, and no penalty for nonpayment of such amount during such period, shall accrue for such period of

deferment by reason of such nonpayment. The running of any statute of limitations against the collection of such tax by distraint or otherwise shall be suspended for the period of military service of any individual the collection of whose tax is deferred under this section, and for an additional period of nine months beginning with the day following the period of military service. The provisions of this section shall not apply to the income tax on employees imposed by section 1400 of the Federal Insurance Contributions Act.

(Oct. 17, 1940, ch. 888, art. V, § 513, 54 Stat. 1190.)

#### **§ 574. Residence for tax purposes**

(1) For the purposes of taxation in respect of any person, or of his personal property, income, or gross income, by any State, Territory, possession, or political subdivision of any of the foregoing, or by the District of Columbia, such person shall not be deemed to have lost a residence or domicile in any State, Territory, possession, or political subdivision of any of the foregoing, or in the District of Columbia, solely by reason of being absent therefrom in compliance with military or naval orders, or to have acquired a residence or domicile in, or to have become resident in or a resident of, any other State, Territory, possession, or political subdivision of any of the foregoing, or the District of Columbia, while, and solely by reason of being, so absent. For the purposes of taxation in respect of the personal property, income, or gross income of any such person by any State, Territory, possession, or political subdivision of any of the foregoing, or the District of Columbia, of which such person is not a resident or in which he is not domiciled, compensation for military or naval service shall not be deemed income for services performed within, or from sources within, such State, Territory, possession, political subdivision, or District, and personal property shall not be deemed to be located or present in or to have a situs for taxation in such State, Territory, possession, or political subdivision, or district. Where the owner of personal property is absent from his residence or domicile solely by reason of compliance with military or naval orders, this section applies with respect to personal property, or the use thereof, within any tax jurisdiction other than such place of residence or domicile, regardless of where the owner may be serving in compliance with such orders. Nothing contained in this section shall prevent taxation by any State, Territory, possession, or political subdivision of any of the foregoing, or the District of Columbia in respect of personal property used in or arising from a trade or business, if it otherwise has jurisdiction. This section shall be effective as of September 8, 1939, except that it shall not require the crediting or refunding of any tax paid prior to October 6, 1942.

(2) When used in this section, (a) the term "personal property" shall include tangible and intangible property (including motor vehicles), and (b) the term "taxation" shall include but not be limited to licenses, fees, or excises imposed in respect to motor vehicles or the use thereof, but

only if a license, fee, or excise required by the State or territory, possession, or District of Columbia of which the person is a resident or in which the person is domiciled has been paid.

(Oct. 17, 1940, ch. 888, art. V, § 514, as added Oct. 6, 1942, ch. 581, § 17, 56 Stat. 777; amended July 3, 1944, ch. 397, § 1, 58 Stat. 722; Pub. L. 87-771, Oct. 9, 1962, 76 Stat. 768; Pub. L. 102-12, § 9(24), Mar. 18, 1991, 105 Stat. 41.)

#### **§ 580. Transfers to take advantage of act**

Where in any proceeding to enforce a civil right in any court it is made to appear to the satisfaction of the court that any interest, property, or contract has since October 17, 1940, been transferred or acquired with intent to delay the just enforcement of such right by taking advantage of this Act [sections 501 to 593 of this Appendix], the court shall enter such judgment or make such order as might lawfully be entered or made, the provisions of this Act [said sections] to the contrary notwithstanding.

(Oct. 17, 1940, ch. 888, art. VI, § 600, 54 Stat. 1190; Pub. L. 102-12, § 9(25), Mar. 18, 1991, 105 Stat. 41.)

#### **§ 581. Certificates of service; persons reported missing**

(1) In any proceeding under this Act [sections 501 to 593 of this Appendix] a certificate signed by The Adjutant General of the Army as to persons in the Army or in any branch of the United States service while serving pursuant to law with the Army of the United States, signed by the Chief of Naval Personnel as to persons in the United States Navy or in any other branch of the United States service while serving pursuant to law with the United States Navy, and signed by the Commandant, United States Marine Corps, as to persons in the Marine Corps, or in any other branch of the United States service while serving pursuant to law with the Marine Corps, or signed by an officer designated by any of them, respectively, for the purpose, shall when produced be prima facie evidence as to any of the following facts stated in such certificate:

That a person named has not been, or is, or has been in military service; the time when and the place where such person entered military service, his residence at that time, and the rank, branch, and unit of such service that he entered, the dates within which he was in military service, the monthly pay received by such person at the date of issuing the certificate, the time when and the place where such person died in or was discharged from such service.

(2) It shall be the duty of the foregoing officers to furnish such certificate on application, and any such certificate when purporting to be signed by any one of such officers or by any person

purporting upon the face of the certificates to have been so authorized shall be prima facie evidence of its contents and of the authority of the signer to issue the same.

(3) Where a person in military service has been reported missing he shall be presumed to continue in the service until accounted for, and no period herein limited which begins or ends with the death of such person shall begin or end until the death of such person is in fact reported to or found by the Department of Defense, or any court or board thereof, or until such death is found by a court of competent jurisdiction. No period herein limited which begins or ends with the death of such person shall be extended beyond a period of six months after the time when this Act [said sections] ceases to be in force.

(Oct. 17, 1940, ch. 888, art. VI, § 601, 54 Stat. 1190; Jan. 20, 1942, ch. 10, § 1, 2, 56 Stat. 10; Pub. L. 102-12, § 9(26), Mar. 18, 1991, 105 Stat. 41.)

#### **§ 582. Revocation, etc., of interlocutory orders**

Any interlocutory order made by any court under the provisions of this Act [sections 501 to 593 of this Appendix] may, upon the court's own motion or otherwise, be revoked, modified, or extended by it upon such notice to the parties affected as it may require.

(Oct. 17, 1940, ch. 888, art. VI, § 602, 54 Stat. 1191.)

#### **§ 583. Separability**

If any provision of this Act [sections 501 to 593 of this Appendix], or the application thereof to any person or circumstances, is held invalid, the remainder of the Act [said sections], and the application of such provision to other persons or circumstances, shall not be affected thereby.

(Oct. 17, 1940, ch. 888, art. VI, § 603, 54 Stat. 1191.)

#### **§ 584. Termination date**

This Act [sections 501 to 593 of this Appendix] shall remain in force until May 15, 1945, except that should the United States be then engaged in a war, this Act [said sections] shall remain in force until such war is terminated by a treaty of peace proclaimed by the President and for six months thereafter. Whenever under any section or provision of this Act [said sections] a proceeding, remedy, privilege, stay, limitation, accounting, or other transaction has been authorized or provided with respect to military service performed prior to the date herein fixed for the termination of this Act [said sections], such section or provision shall be deemed to

continue in full force and effect so long as may be necessary to the exercise or enjoyment of such proceeding, remedy, privilege, stay, limitation, accounting, or other transaction.

(Oct. 17, 1940, ch. 888, art. VI, § 604, 54 Stat. 1191; Pub. L. 102-12, § 9(27), Mar. 18, 1991, 105 Stat. 41.)

**§ 590. Stay of enforcement of obligations, liabilities, taxes, etc.**

(1) A person may, at any time during his period of military service or within six months thereafter, apply to a court for relief in respect of any obligation or liability incurred by such person prior to his period of military service or in respect of any tax or assessment whether falling due prior to or during his period of military service. The court, after appropriate notice and hearing, unless in its opinion the ability of the applicant to comply with the terms of such obligation or liability or to pay such tax or assessment has not been materially affected by reason of his military service, may grant the following relief:

(a) In the case of an obligation payable under its terms in installments under a contract for the purchase of real estate, or secured by a mortgage or other instrument in the nature of a mortgage upon real estate, a stay of the enforcement of such obligation during the applicant's period of military service and, from the date of termination of such period of military service or from the date of application if made after such service, for a period equal to the period of the remaining life of the installment contract or other instrument plus a period of time equal to the period of military service of the applicant or any part of such combined period, subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination of the period of military service or from the date of application, as the case may be, in equal installments during such combined period at such rate of interest on the unpaid balance as is prescribed in such contract, or other instrument evidencing the obligation, for installments paid when due, and subject to such other terms as may be just.

(b) In the case of any other obligation, liability, tax, or assessment, a stay of the enforcement thereof during the applicant's period of military service and, from the date of termination of such period of military service or from the date of application if made after such service, for a period of time equal to the period of military service of the applicant or any part of such period, subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination of such period of military service or the date of application, as the case may be, in equal periodic installments during such extended period at such rate of interest as may be prescribed for such obligation, liability, tax, or assessment, if paid when due, and subject to such other terms as may be just.

(2) When any court has granted a stay as provided in this section no fine or penalty shall accrue during the period the terms and conditions of such stay are complied with by reason of failure to comply with the terms or conditions of the obligation, liability, tax, or assessment in respect of which such stay was granted.

(Oct. 17, 1940, ch. 888, art. VII, § 700, as added Oct. 6, 1942, ch. 581, § 18, 56 Stat. 777.)

### **§ 591. Power of attorney**

(a) Extension for period person in missing status

Notwithstanding any other provision of law, a power of attorney which--

(1) was duly executed by a person in the military service who is in a missing status (as defined in section 551(2) of title 37, United States Code);

(2) designates that person's spouse, parent, or other named relative as his attorney in fact for certain specified, or all, purposes; and

(3) expires by its terms after that person entered a missing status, and before or after the effective date of this section;

shall be automatically extended for the period that the person is in a missing status.

(b) Limitation on extension

No power of attorney executed after the effective date of this section by a person in the military service may be extended under subsection (a) of this section if the document by its terms clearly indicates that the power granted expires on the date specified even though that person, after the date of execution of the document, enters a missing status.

(c) Persons subject to coverage

This section applies to the following powers of attorney executed by a person in military service or under a call or order to report for military service (or who has been advised by an official of the Department of Defense that such person may receive such a call or order):

(1) A power of attorney that is executed during the Vietnam era (as defined in section 101(29) of title 38, United States Code).

(2) A power of attorney that expires by its terms after July 31, 1990.

(Oct. 17, 1940, ch. 888, art. VII, § 701, as added Pub. L. 92-540, title V, § 504(2), Oct. 24, 1972, 86 Stat. 1098; amended Pub. L. 102-12, § 3, Mar. 18, 1991, 105 Stat. 34.)

**§ 592. Professional liability protection for certain persons ordered to active duty in armed forces**

(a) Applicability

This section applies to a person who--

(1) after July 31, 1990, is ordered to active duty (other than for training) pursuant to section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10, United States Code, or who is ordered to active duty under section 12301(d) of such title during a period when members are on active duty pursuant to any of the preceding sections; and

(2) immediately before receiving the order to active duty--

(A) was engaged in the furnishing of health-care services or other services determined by the Secretary of Defense to be professional services; and

(B) had in effect a professional liability insurance policy that does not continue to cover claims filed with respect to such person during the period of the person's active duty unless the premiums are paid for such coverage for such period.

(b) Suspension of coverage

(1) Coverage of a person referred to in subsection (a) by a professional liability insurance policy shall be suspended in accordance with this subsection upon receipt of the written request of such person by the insurance carrier.

(2) A professional liability insurance carrier--

(A) may not require that premiums be paid by or on behalf of a person for any professional liability insurance coverage suspended pursuant to paragraph (1); and

(B) shall refund any amount paid for coverage for the period of such suspension or, upon the election of such person, apply such amount for the payment of any premium becoming due upon the reinstatement of such coverage.

(3) A professional liability insurance carrier shall not be liable with respect to any claim that is based on professional conduct (including any failure to take any action in a professional

capacity) of a person that occurs during a period of suspension of that person's professional liability insurance under this subsection. For the purposes of the preceding sentence, a claim based upon the failure of a professional to make adequate provision for patients to be cared for during the period of the professional's active duty service shall be considered to be based on an action or failure to take action before the beginning of the period of suspension of professional liability insurance under this subsection, except in a case in which professional services were provided after the date of the beginning of such period.

(c) Reinstatement of coverage

(1) Professional liability insurance coverage suspended in the case of any person pursuant to subsection (b) shall be reinstated by the insurance carrier on the date on which that person transmits to the insurance carrier a written request for reinstatement.

(2) The request of a person for reinstatement shall be effective only if the person transmits the request to the insurance carrier within 30 days after the date on which the person is released from active duty. The insurance carrier shall notify the person of the due date for payment of the premium of such insurance. Such premium shall be paid by the person within 30 days after the receipt of that notice.

(3) The period for which professional liability insurance coverage shall be reinstated for a person under this subsection may not be less than the balance of the period for which coverage would have continued under the insurance policy if the coverage had not been suspended.

(d) Increase in premium

An insurance carrier may not increase the amount of the premium charged for professional liability insurance coverage of any person for the minimum period of the reinstatement of such coverage required under subsection (c)(3) to an amount greater than the amount chargeable for such coverage for such period before the suspension, except to the extent of any general increase in the premium amounts charged by that carrier for the same professional liability coverage for persons similarly covered by such insurance during the period of the suspension.

(e) Continuation of coverage of unaffected persons

This section does not--

(1) require a suspension of professional liability insurance coverage for any person who is not a person referred to in subsection (a) and who is covered by the same professional liability insurance as a person referred to in such subsection; or

(2) relieve any person of the obligation to pay premiums for the coverage not required to be suspended.

(f) Stay of civil or administrative actions

(1) A civil or administrative action for damages on the basis of the alleged professional negligence or other professional liability of a person whose professional liability insurance coverage has been suspended under subsection (b) shall be stayed until the end of the period of the suspension if--

(A) the action was commenced during that period;

(B) the action is based on an act or omission that occurred before the date on which the suspension became effective; and

(C) the suspended professional liability insurance would, except for the suspension, on its face cover the alleged professional negligence or other professional liability negligence or other professional liability of the person.

(2) Whenever a civil or administrative action for damages is stayed under paragraph (1) in the case of any person, the action shall be deemed to have been filed on the date on which the professional liability insurance coverage of such person is reinstated under subsection (c).

(g) Effect of suspension upon limitations period

In the case of a civil or administrative action for which a stay could have been granted under subsection (f) by reason of the suspension of professional liability insurance coverage of the defendant under this section, the period of the suspension of the coverage shall be excluded from the computation of any statutory period of limitation on the commencement of such action.

(h) Death during period of suspension

If a person whose professional liability insurance coverage is suspended under subsection (b) dies during the period of the suspension--

(1) the requirement for the grant or continuance of a stay in any civil or administrative action against such person under subsection (f)(1) shall terminate on the date of the death of such person; and

(2) the carrier of the professional liability insurance so suspended shall be liable for any claim for damages for professional negligence or other professional liability of the deceased person in the

same manner and to the same extent as such carrier would be liable if the person had died while covered by such insurance but before the claim was filed.

(i) Definitions

In this section:

(1) The term "active duty" has the meaning given that term in section 101 of title 10, United States Code.

(2) The term "profession" includes occupation.

(3) The term "professional" includes occupational.

(Oct. 17, 1940, ch. 888, art. VII, § 702, as added Pub. L. 102-12, § 4, Mar. 18, 1991, 105 Stat. 34; amended Pub. L. 104-106, div. A, title XV, § 1501(e)(3), Feb. 10, 1996, 110 Stat. 501.)

**§ 593. Reinstatement of health insurance coverage upon release from service**

(a) Right to reinstatement of coverage

A person who, by reason of military service described in section 702(a)(1) [section 592(a)(1) of this Appendix], is entitled to the rights and benefits of this Act [sections 501 to 593 of this Appendix] shall also be entitled upon release from such military service to reinstatement of any health insurance which (1) was in effect on the day before such service commenced, and (2) was terminated effective on a date during the period of such service.

(b) Exclusion or waiting period

An exclusion or a waiting period may not be imposed in connection with reinstatement of health insurance coverage of a health or physical condition of a person under subsection (a), or a health or physical condition of any other person who is covered by the insurance by reason of the coverage of such person, if--

(1) the condition arose before or during that person's period of training or service in the Armed Forces;

(2) an exclusion or waiting period would not have been imposed for the condition during a period of coverage resulting from participation by such person in the insurance; and

(3) the condition of such person has not been determined by the Secretary of Veterans Affairs to be a disability incurred or aggravated in the line of duty (within the meaning of section 105 of title 38, United States Code).

(c) Employer-offered insurance benefits

Subsection (a) does not apply in the case of employer-offered insurance benefits in which a person referred to in such subsection is entitled to participate pursuant to the provisions of chapter 43 of title 38, United States Code.

(Oct. 17, 1940, ch. 888, art. VII, § 703, as added Pub. L. 102-12, § 5(b), Mar. 18, 1991, 105 Stat. 37.)