

**SAMPLE LETTER FROM SERVICE MEMBER TO LOWER INTEREST RATE OF LOANS**

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

DATE

SERVICEMEMBER NAME  
ADDRESS

LENDING INSTITUTION  
LENDING ADDRESS

RE: SERVICEMEMBER NAME, ACCOUNT NUMBER:

Dear Sir or Madam:

This letter is to advise you that I have been ordered to active duty service with the United States Armed Forces. As a result of my military service, I have lost my civilian employment income. I incurred the above referenced debt prior to entry on active duty. My entry into military service has substantially affected my ability to make the payments that I agreed to make while a civilian.

I entered active duty on (ACTIVE DUTY DATE), and am presently on active duty assigned to (UNIT NAME). The Service Members' Civil Relief Act of 2003, 50 U.S.C. Appendix, Section 527, sets a six percent (6%) per annum ceiling on interest charges (including service charges, renewal charges and fees) during the period of a service member's military service for obligations made prior to the date of entry onto active duty when the active duty materially affects the ability to pay. Since entering active duty, I have experienced a decrease in salary, adversely affecting my ability to pay. Thus, I am requesting an adjustment of this account to reflect the statutory six percent (6%) rate. This rate became effective upon my entry to active duty on (ACTIVE DUTY DATE).

**Please ensure that your records reflect this statutory ceiling and that any excess charge is withdrawn. The interest over 6% must be forgiven, not just deferred and my monthly payments must be reduced by the reduction in the interest rate.** I have enclosed copies of my orders and a current leave and earnings statement. Please contact me at the above address with a revised payment schedule. Thank you for your understanding and support in this matter.

Sincerely,

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Attachments: *Copy of Current Leave and Earnings Statement; Copy of Activation Orders*