

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 1999

To amend the Servicemembers Civil Relief Act to require the consent of parties to contracts for the use of arbitration to resolve controversies arising under the contracts and subject to provisions of such Act and to preserve the rights of servicemembers to bring class actions under such Act, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2014

Mr. GRAHAM (for himself and Mr. REED) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend the Servicemembers Civil Relief Act to require the consent of parties to contracts for the use of arbitration to resolve controversies arising under the contracts and subject to provisions of such Act and to preserve the rights of servicemembers to bring class actions under such Act, and for other purposes.

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 “SCRA Rights Protec-  
5       tion Act of 2014”.

1 **SEC. 2. ELECTION OF ARBITRATION TO RESOLVE CON-**  
2 **TROVERSIES UNDER SERVICEMEMBERS**  
3 **CIVIL RELIEF ACT.**

4 (a) IN GENERAL.—Section 102 of the  
5 Servicemembers Civil Relief Act (50 U.S.C. App. 512) is  
6 amended by adding at the end the following new sub-  
7 section:

8 “(d) WRITTEN CONSENT REQUIRED FOR ARBITRA-  
9 TION.—Notwithstanding any other provision of law, when-  
10 ever a contract with a servicemember, or a servicemember  
11 and the servicemember’s spouse jointly, provides for the  
12 use of arbitration to resolve a controversy subject to a pro-  
13 vision of this Act and arising out of or relating to such  
14 contract, arbitration may be used to settle such con-  
15 troversy only if, after such controversy arises, all parties  
16 to such controversy consent in writing to use arbitration  
17 to settle such controversy.”.

18 (b) APPLICABILITY.—Subsection (d) of such section,  
19 as added by subsection (a), shall apply with respect to con-  
20 tracts entered into, amended, altered, modified, renewed,  
21 or extended after the date of the enactment of this Act.

1 **SEC. 3. LIMITATION ON WAIVER OF RIGHTS AND PROTEC-**  
2 **TIONS UNDER SERVICEMEMBERS CIVIL RE-**  
3 **LIEF ACT.**

4 (a) IN GENERAL.—Section 107(a) of the  
5 Servicemembers Civil Relief Act (50 U.S.C. App. 517(a))  
6 is amended—

7 (1) in the second sentence, by inserting “and if  
8 it is made after a specific dispute has arisen and the  
9 dispute is identified in the waiver” after “to which  
10 it applies”; and

11 (2) in the third sentence, by inserting “and if  
12 it is made after a specific dispute has arisen and the  
13 dispute is identified in the waiver” after “period of  
14 military service”.

15 (b) APPLICABILITY.—The amendment made by sub-  
16 section (a) shall apply with respect to waivers made on  
17 or after the date of the enactment of this Act.

18 **SEC. 4. PRESERVATION OF RIGHT TO BRING CLASS ACTION**  
19 **UNDER SERVICEMEMBERS CIVIL RELIEF**  
20 **ACT.**

21 (a) IN GENERAL.—Section 802(a) of the  
22 Servicemembers Civil Relief Act (50 U.S.C. App. 597a(a))  
23 is amended—

24 (1) in paragraph (1), by striking “and” at the  
25 end;

1           (2) in paragraph (2), by striking the period at  
2           the end and inserting “; and”; and

3           (3) by adding at the end the following new  
4           paragraph:

5           “(3) be a representative party on behalf of  
6           members of a class or be a member of a class, in  
7           accordance with the Federal Rules of Civil Proce-  
8           dure, notwithstanding any previous agreement to the  
9           contrary.”.

10          (b) CONSTRUCTION.—The amendments made by sub-  
11         section (a) shall not be construed to imply that a person  
12         aggrieved by a violation of such Act did not have a right  
13         to bring a civil action as a representative party on behalf  
14         of members of a class or be a member of a class in a  
15         civil action before the date of the enactment of this Act.

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