

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

HUDSON VALLEY FEDERAL CREDIT
UNION,

Defendant.

**STIPULATION OF
SETTLEMENT**

18 Civ. 10195

INTRODUCTION

A. Background

This Stipulation of Settlement (the “Agreement”) is entered into between plaintiff the United States of America (the “United States”) and defendant Hudson Valley Federal Credit Union (“HVFCU”);

WHEREAS, the United States brought this action (the “Civil Action”) to enforce provisions of the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3901-4043. Specifically, the United States’ complaint in this Civil Action, filed on November 2, 2018, alleges that HVFCU previously violated the SCRA by repossessing motor vehicles from “SCRA-protected servicemembers” without court orders¹;

¹ For purposes of this Agreement, the term “SCRA-protected servicemember” includes servicemembers as defined in 50 U.S.C. § 3911(1) and (2) and 50 U.S.C. § 3952. Servicemembers with loans that are covered by 50 U.S.C. § 3952 are granted protection against repossession during the period of military service. The SCRA also grants additional periods of protection for reservists ordered to report for military service and persons ordered to report for induction. *See* 50 U.S.C. § 3917. Therefore, for purposes of this Agreement, an “early alert period” shall be included in the periods of protection for servicemembers at the time of repossession. However, since such periods are not included in the definition of “military service” in 50

WHEREAS, HVFCU has cooperated fully with the United States' investigation in this matter and had already taken steps to ensure its compliance with the SCRA, prior to this investigation. In 2015, HVFCU revised its guidelines and procedures for SCRA compliance.

WHEREAS, the Parties agree that, to avoid costly and protracted litigation, the claims against HVFCU shall be resolved without further proceedings or an evidentiary hearing. Therefore, as indicated by the signatures appearing below, the United States and HVFCU agree to this Stipulation of Settlement. This Stipulation of Settlement comes without the taking of proof and does not constitute evidence or findings against or an admission of any Party regarding any issue of law or fact alleged in the Complaint. HVFCU neither admits nor denies any of the allegations in the United States' Complaint.

B. HVFCU

WHEREAS, defendant Hudson Valley Federal Credit Union is a community-based financial cooperative headquartered in Poughkeepsie, New York;

WHEREAS, this Agreement covers all loans or deficiency balances originated, acquired, and/or serviced by HVFCU or any of its predecessors, acquired companies, or successor companies. For purposes of this Agreement, loans are defined to include retail installment sales contracts;

C. Consent of the Parties to this Agreement

WHEREAS, the parties agree that this Court has jurisdiction over this Civil Action under 28 U.S.C. § 1331, 28 U.S.C. § 1345 and 50 U.S.C. § 4041. The parties further agree that this controversy should be resolved without further proceedings and without an evidentiary hearing or a trial;

WHEREAS, in order to avoid costly and protracted litigation, HVFCU agrees to make

U.S.C. § 3911, they are not considered military service at the time of origination or payment of a deposit or installment.

modifications to its SCRA policies and to provide other relief as set forth herein;

It is hereby STIPULATED and AGREED:

I. GENERAL TERMS

1. Except under the circumstances described below, HVFCU and its officers, employees, agents, and representatives (including contractors and vendors that conduct repossessions on behalf of HVFCU) will not repossess an SCRA-protected servicemember's motor vehicle without first obtaining a court order or valid SCRA waiver.

II. MODIFICATIONS OF SCRA POLICIES AND PROCEDURES

2. On February 15, 2018, HVFCU updated the "Collection Department Guidelines and Procedures, Servicemembers Civil Relief Act (SCRA)" (the "2018 SCRA Guidelines and Procedures"). The 2018 SCRA Guidelines and Procedures already include the following provisions:

a. In addition to any other reviews HVFCU may perform to assess eligibility under the SCRA: (i) no more than two (2) business days before HVFCU refers a motor vehicle loan for repossession; (ii) between two (2) and five (5) business days after HVFCU (or its agents, including contractors and vendors that conduct repossessions on behalf of HVFCU) obtains possession of the motor vehicle; and (iii) no more than two (2) business days before HVFCU (or its agents, including contractors and vendors that conduct repossessions on behalf of HVFCU) disposes of the motor vehicle, HVFCU will determine whether borrowers are SCRA-protected servicemembers by: (1) reviewing any military service information (including orders) it has received from borrowers and (2) searching the Department of Defense Manpower Data Center ("DMDC") for evidence of SCRA eligibility by either (a) last name and social security number or (b) last name and date of birth.

b. If HVFCU is informed via military service information received from a borrower, or via the periodic electronic check of the DMDC database described above, that the borrower is a SCRA-protected servicemember, HVFCU shall neither refer the loan for repossession nor conduct the repossession itself without first obtaining a court order or valid written waiver as provided in 50 U.S.C. § 3918.

c. If HVFCU discovers, after obtaining possession but before disposing of the motor vehicle, that the borrower is an SCRA-protected servicemember, within twenty-four (24) hours HVFCU shall attempt to verbally contact the borrower and offer to arrange to return the vehicle and shall reverse on the borrower's account all of the charges resulting from the repossession. HVFCU shall also correct any negative credit reporting related to the repossession. If HVFCU cannot make contact with the borrower within twenty-four (24) hours, HVFCU shall cause the vehicle to be returned to the location where possession was taken, unless: (1) return to such location presents a significant risk of damage to the vehicle; (2) return to such location presents a significant risk that the vehicle will be impounded; (3) the borrower has previously informed HVFCU that the vehicle has been abandoned; or (4) the vehicle was recovered under circumstances suggesting that the vehicle had been abandoned. If the vehicle is not returned to the borrower within twenty-four (24) hours, HVFCU shall make no fewer than three (3) additional attempts to reach the borrower based upon contact information in HVFCU's files, and return the vehicle within twenty-four (24) hours of a borrower's request for return, without charging any repossession-related fees. The vehicle shall not be sold or otherwise disposed of until the contact attempts referenced in this subparagraph have been

made and HVFCU has obtained a court order or a valid written waiver as provided in 50 U.S.C. § 3918.

d. If HVFCU pursues a repossession action in court and the borrower does not make an appearance in the case, HVFCU will file an affidavit of military service with the court as required by Section 3931(b)(1) of the SCRA, 50 U.S.C. § 3931(b)(1).

Before seeking entry of default, HVFCU will search the DMDC and review information in its possession or control to determine if the borrower is SCRA-protected. If HVFCU learns that the borrower is SCRA-protected, HVFCU will: (1) file an affidavit stating that “the defendant is in military service” before seeking default judgment; and (2) attach the most recent military status report from the DMDC or a copy of the military orders or other documentation to the affidavit.

e. HVFCU will not rely on a servicemember’s waiver of rights under Section 3952(a) of the SCRA unless HVFCU obtains a written agreement as provided in Section 3918 of the SCRA, 50 U.S.C. § 3918. If HVFCU initiates the waiver process with the servicemember, it must do so at least thirty (30) calendar days in advance of any anticipated repossession by sending a notice that prominently incorporates the language and layout of the form attached as Exhibit A and a copy of the proposed waiver to the servicemember. If the servicemember initiates the waiver process by offering to voluntarily surrender the vehicle or indicating an intent to abandon the vehicle, HVFCU must provide a copy of the notice of the type described above but may conduct the repossession at any point after receiving a signed waiver.

f. HVFCU may take possession of a motor vehicle that has been impounded by a non-related third-party upon receiving notice of the impoundment even when the

borrower is an SCRA-protected servicemember. HVFCU must, however, provide notice to the servicemember that it has taken possession and must not dispose of the vehicle until HVFCU has made reasonable efforts to contact the servicemember and HVFCU has obtained a court order or a valid written waiver as provided in 50 U.S.C. § 3918.

3. HVFCU has: (1) posted a dedicated phone number and extension on HVFCU's website for servicemembers to call with questions about the SCRA; and (2) completed SCRA compliance training to employees in the collection and lending departments.

4. If, at any time during the term of this Agreement, HVFCU proposes to materially change the 2018 SCRA Guidelines and Procedures, it shall first provide a copy of the proposed changes to counsel for the United States. If the United States does not deliver written objections to HVFCU within twenty (20) business days of receiving the proposed changes, the changes may be implemented. If the United States makes any reasonable objections to the proposed changes within the twenty (20) business day period, the specific changes to which the United States objects shall not be implemented until the objections are resolved.

III. TRAINING

5. HVFCU has been providing ongoing training and shall continue to provide annual SCRA compliance training to all of its collections and lending employees. Specifically, HVFCU shall continue to provide to each collections and lending employee: (a) training on the terms of the SCRA specific to the employee's responsibilities associated with that employee's position; (b) training on the terms of HVFCU's 2018 SCRA Guidelines and Procedures (including any future updates thereto); and (c) training on the terms of this Agreement specific to the employee's responsibilities associated with that employee's position and his or her responsibilities and

obligations under the SCRA. HVFCU shall conduct this training for each applicable employee within thirty (30) calendar days of his or her hiring.

6. Within twenty (20) calendar days of the effective date of this Agreement, HVFCU shall provide to the United States the curriculum, instructions, and any written material included in the required training. The United States shall have twenty (20) calendar days from receipt of these documents to raise any material objections to HVFCU's training materials, and, if it raises any, the Parties shall confer to resolve their differences. If the Parties are unable to resolve their differences, either Party may file an application with the Court to reinstate this case and request that the Court adjudicate the United States' objection. In such an event, the Court may sustain or overrule the objection.

7. Employees may undergo the training required by Paragraph 5 via live training, computer-based training, web-based training, or via interactive digital media. If the training is conducted in any format other than live training, HVFCU shall ensure that covered employees have the opportunity to have their questions answered by a company contact that HVFCU identifies as having SCRA expertise within two (2) business days of the training. Any expenses associated with the training program shall be borne by HVFCU.

8. HVFCU shall continue to secure a certification from each employee acknowledging that he or she has received, read, and understands the SCRA Policies and Procedures specific to the employee's responsibilities, has had the opportunity to have his or her questions about these documents answered, and agrees to abide by them. For the duration of this Agreement, those certifications can be made and maintained electronically by HVFCU's Training Department, and shall be provided to the United States annually upon request.

IV. COMPENSATION

9. HVFCU will deposit in an interest-bearing escrow account at HVFCU the sum of \$65,000 to fund the compensation payments required by Paragraphs 10 and 11. Title to this account will be in the name of "HVFCU FBO Civil Act 18-10195" or a similar title. If the payments required by Paragraph 11 total more than \$65,000, Defendant will deposit into the escrow account all additional funds necessary to make payments before the deadlines established in Paragraph 16. HVFCU will provide written verification of the deposit to the United States within fifteen (15) calendar days of the effective date of this Agreement. Any interest that accrues will become part of the Settlement Fund and will be used and disposed of as set forth herein. Any taxes, costs, or other fees related to the escrow account shall be paid by HVFCU.

10. The United States has determined that HVFCU conducted seven (7) motor vehicle repossessions between 2008 and 2014 that were not in compliance with SCRA. Six (6) of those servicemembers are identified in List A, and the remaining servicemember is identified in List B. List A and List B were previously provided to HVFCU.

11. For each repossession identified pursuant to Paragraph 10, HVFCU shall provide the following compensation:

- a. For those servicemembers in List A: an amount of \$10,000; for the servicemember in List B: an amount of \$5,000;
- b. any lost equity in the repossessed motor vehicle, as calculated by: subtracting any outstanding principal, interest, and other amounts owing by the borrowers (excluding any fees associated with repossession), plus any liens at the time of repossession and any disbursements made to the servicemember or a third-party other than a lien holder from the proceeds of the repossession sale (exclusive of any fees associated with the repossession) from the retail value of the motor vehicle at the time of repossession as identified in the National Automobile Dealers Association ("NADA") Guide; and
- c. interest accrued on this lost equity, calculated from the date of the repossession sale until the date payment is issued, at the rate set forth in 28 U.S.C. § 1961.

HVFCU has provided the United States with all records used to make the payment calculations described in this paragraph, and the United States has reviewed and approved the calculations.

12. The amounts described in Paragraph 11(a) shall only be paid to the servicemember-borrower on the note securing the motor vehicle who signs the Declaration at Exhibit B-1 and the Release at Exhibit B-2. The amounts described in Paragraph 11(b) and (c) shall be distributed equally among all borrowers (including non-servicemember borrowers) on the title to the motor vehicle who sign the Release at Exhibit B-2.

13. HVFCU will conduct the settlement administration activities as set forth below. HVFCU shall bear all costs and expenses of settlement administration. HVFCU shall work cooperatively with the United States in the conduct of its activities, including reporting regularly and providing all reasonably requested information to the United States.

14. HVFCU shall establish and maintain throughout the period of this Agreement multiple cost-free means for affected servicemembers and co-borrowers to contact it, including an electronic mail address, a webpage, and a toll-free telephone number.

15. For repossessions identified pursuant to Paragraph 11, HVFCU shall notify each identified servicemember by letter (using wording mutually agreeable to HVFCU and the United States) within sixty (60) calendar days of the effective date of this Agreement. For repossessions where money is due to a non-servicemember owner pursuant to Paragraph 12, HVFCU shall notify each identified non-servicemember owner by letter (using wording mutually agreeable to HVFCU and the United States) within fifteen (15) calendar days of receiving the Declaration from the servicemember-borrower. HVFCU has provided the United States with samples of all letters, and has received the United States' approval of the sample letters. All letters mailed pursuant to this paragraph shall be accompanied by the Declaration at Exhibit B-1 and/or the Release at Exhibit B-2.

HVFCU shall adopt effective methods, as reasonably requested by the United States, to make contact with, and obtain a response from, each identified servicemember and non-servicemember borrower.

16. HVFCU shall issue and mail compensation checks no later than twenty-one (21) calendar days after HVFCU's receipt of a signed Declaration and/or Release. HVFCU shall skip trace and redeliver any payment that is returned as undeliverable, or that is not deposited or cashed within six (6) months.

17. HVFCU shall, for a period of one (1) year following the effective date of this Agreement in the event HVFCU has located and paid the servicemembers identified in Lists A and B above but in no event greater than three (3) years ("the term of the Agreement"), provide the United States with a monthly accounting of all declarations received, checks issued (including copies of issued checks), and notifications without responses or that were returned as undeliverable. HVFCU shall report any uncashed checks in accordance with state unclaimed property laws.

18. Any money not distributed from the escrow account, including accrued interest, within the term of the Agreement will be distributed to the United States Treasury in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

19. HVFCU will not be entitled to a set-off, or any other reduction, of the amount of payments required by Paragraph 11 because of any debts owed by the recipient, except in the calculation of lost equity as provided by Paragraph 11(b). HVFCU also will not refuse to make a payment based on a release of legal claims, arbitration agreement, or loan modification previously signed by any such recipient.

20. In the event that the United States believes that HVFCU is not materially complying with the terms of Paragraphs 11-19 of this Agreement, HVFCU shall present for review and

determination of non-objection a course of action to effectuate its material compliance with Paragraphs 11-19 of this Agreement. The United States shall make a determination of non-objection to the course of action or direct HVFCU to revise it. In the event that the United States directs revisions, HVFCU shall make the revisions and resubmit the course of action to the United States within thirty (30) days. Upon notification that the United States has made a determination of non-objection, HVFCU shall implement the course of action. If the parties cannot resolve their differences with regard to the revised course of action after good faith efforts to do so, either party may bring the dispute to this Court for resolution.

21. No individual may obtain review by the Parties of the identifications made, and payments disbursed, pursuant to Paragraphs 11-19.

V. CREDIT REPAIR AND OTHER RELIEF

22. HVFCU has already requested that all three (3) major credit bureaus and any other credit bureaus to which HVFCU reports delete trade lines for accounts belonging to the servicemember(s) and any co-borrower(s) attributable specifically to the wrongful repossessions. Further, HVFCU shall not pursue and represents that it will not assign the deficiency associated with these repossessions nor is any of the deficiency associated with these repossessions currently assigned. HVFCU must refund any amounts that the servicemember or his or her co-borrower has paid toward any deficiency that was remaining on the loan after a repossession.

VI. CIVIL PENALTY

23. Within sixty (60) calendar days of the effective date of this Agreement, HVFCU shall pay a total of Thirty Thousand Dollars (\$30,000.00) to the United States Treasury as a civil penalty pursuant to 50 U.S.C. § 4041(b)(3) and 28 C.F.R. § 85.5, to vindicate the public interest. The payment shall be in the form of an electronic funds transfer pursuant to written instructions to be

provided by the United States. The Parties agree that there shall be no other civil penalties assessed by the Department of Justice against HVFCU under the SCRA for violations in the Complaint.

VII. REPORTING, RECORD-KEEPING, AND MONITORING

24. For the duration of this Agreement, HVFCU shall retain all records relating to its obligations hereunder, including all records involving repossessions and all records relating to compliance activities as set forth herein. Upon reasonable notice to HVFCU, the United States shall have the right to review and copy any such records, including electronic data, upon reasonable request during the term of this Agreement.

25. During the term of this Agreement, HVFCU shall notify counsel for the United States in writing every six (6) months of receipt of any complaint related to rights protected by the SCRA. HVFCU shall provide a copy of any such written complaints with the notifications. HVFCU will incorporate into its SCRA Policies and Procedures a requirement that all personnel, upon receiving any oral SCRA complaint, shall notify the designated employees who have been specifically trained and are responsible for the intake of and response to SCRA complaints. Whether regarding a written or oral SCRA complaint, the notification to the United States shall include the full details of the complaint, including the complainant's name, address, and telephone number, and the full details of all actions HVFCU took to resolve the complaint. HVFCU shall also promptly provide the United States all information it may reasonably request concerning any such complaint. If the United States raises any material objections to HVFCU's actions, the Parties shall promptly meet and confer to consider appropriate steps to address the concerns raised by the United States' review; if the Parties are unable to reach a resolution, either Party may file an application with the Court to reinstate this case and request that the Court adjudicate the United States' objection. In such an event, the Court may sustain or overrule the objection.

VIII. IMPLEMENTATION, ENFORCEMENT, AND DISMISSAL OF UNDERLYING CIVIL ACTION

26. The United States may review compliance with this Agreement at any time (a) for one (1) year from the effective date in the event HVFCU has located and paid the servicemembers identified in Lists A and B above or (b) if (a) does not apply, for whatever period of time it takes HVFCU to make the payments to all servicemembers but in no event greater than three (3) years from the effective date. HVFCU agrees to cooperate with the United States in any review of compliance with this Agreement. Upon reasonable notice (a) for one (1) year from the effective date in the event HVFCU has located and paid the servicemembers identified in Lists A and B above or (b) if (a) does not apply, for whatever period of time it takes HVFCU to make the payments to all servicemembers but in no event greater than three (3) years from the effective date, HVFCU shall permit counsel for the United States to inspect and copy all non-privileged records related to compliance with this Agreement, subject to an escort being provided by HVFCU who will be present during the inspection and copying of non-privileged records by the United States.

27. The parties agree that the only appropriate remedy for either party's failure to perform any non-monetary obligation contained in this Agreement is specific performance.

28. The United States and HVFCU shall endeavor, in good faith, to resolve any differences regarding interpretation of and compliance with this Agreement prior to bringing such matters to the Court for resolution.

IX. SCOPE OF SETTLEMENT AGREEMENT

29. The provisions of this Agreement shall apply to HVFCU. It shall also apply to all related entities, parents, predecessors, successors, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors or assigns.

30. In the event that HVFCU is acquired by or merges with another entity, HVFCU shall, as a condition of such acquisition or merger, obtain the written agreement of the acquiring or surviving entity to be bound by any obligations remaining under this Agreement for the remaining term of this Agreement.

31. This Agreement releases only the claims for violations of Section 3952(a) of the SCRA addressed in the Complaint or identified in this Agreement.

32. Nothing in this Agreement will excuse HVFCU's compliance with any currently or subsequently effective provision of law or order of a regulator with authority over HVFCU that imposes additional obligations on it.

X. DURATION, EXECUTION, AND OTHER TERMS

33. This Agreement is effective on the date of signature of the last signatory to the Agreement. The Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

34. This Agreement shall remain in effect (a) for one (1) year from the effective date in the event HVFCU has located and paid the servicemembers identified in Lists A and B above or (b) if (a) does not apply, for whatever period of time it takes HVFCU to make the payments to all servicemembers but in no event greater than three (3) years.

35. Each Party shall bear its own legal and other costs incurred in connection with this litigation, including the preparation and performance of this Agreement, except where otherwise provided.

36. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

37. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

38. This Agreement constitutes the complete agreement between the Parties. No prior or contemporaneous communications, oral or written, or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.

39. This Agreement is governed by and shall be interpreted under the laws of the United States.

40. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the entities indicated below.

41. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another Party, the performance of one Party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another Party.

42. This Agreement is a public document. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public and to HVFCU's separate and independent issuance of public statements about this Agreement and the subject matter hereof, subject to any applicable privacy laws.

43. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

44. The Parties agree that they will not, individually or in combination with another, seek

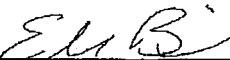
to have any court declare or determine that any provision of this Agreement is illegal or invalid.

45. This Agreement may be modified only with the written consent of the Parties. Any modifications must be in writing and signed by the Parties through their authorized representatives.

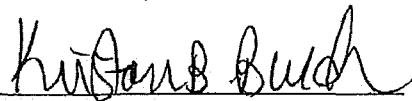
Dated: November 1, 2018

SAMEENA SHINA MAJEED
Chief
ELIZABETH A. SINGER
Director, U.S. Attorneys' Fair Housing
Program
AUDREY M. YAP
Trial Attorney
Housing and Civil Enforcement Section
Civil Rights Division

GEOFFREY S. BERMAN
United States Attorney

By: 
ELLEN BLAIN
Assistant United States Attorney
86 Chambers Street, 3rd Floor
New York, New York 10007
Tel. No. (212) 637-2743
Fax No. (212) 637-2730
ellen.blain@usdoj.gov

For Hudson Valley Federal Credit Union:

By: 
KRISTAN B. BURCH
Kaufman & Canoles, P.C.
150 W. Main Street, Suite 2100
Norfolk, VA 23510-1665
Tel. No. (757) 624.3343
Fax No. (888) 360.9092
kbburch@kaufcan.com

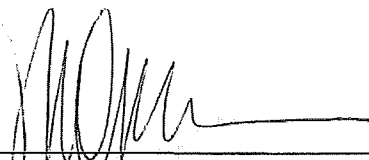
By: 
[Name] Mary D. Madden
[Title] President/CEO
Hudson Valley Federal Credit Union

EXHIBIT A

**IMPORTANT NOTICE AFFECTING MILITARY SERVICEMEMBERS'
RIGHTS AND PROTECTIONS UNDER
THE SERVICEMEMBERS CIVIL RELIEF ACT**

Attached to this notice you will find a waiver of rights and protections that may be applicable to you and your dependents pursuant to the Servicemembers Civil Relief Act, 50 U.S.C. § 3901, *et seq.* (the "SCRA"). The SCRA provides military personnel and their dependents with a wide range of legal and financial protections. Among other benefits and protections, the SCRA:

- Prohibits the repossession of a servicemember's motor vehicle without a court order, as long as a deposit or at least one installment payment was made while the borrower was not in military service.
- Upon notice by the servicemember, imposes a 6% maximum rate of interest that may be charged during military service on loans incurred before the servicemember began his or her current military service.
- Postpones court actions against servicemembers under certain circumstances.

If you choose to sign the attached waiver, HUDSON VALLEY FEDERAL CREDIT UNION will have the option to proceed with a repossession of your motor vehicle without the protections of the SCRA. If you do not sign this waiver, HUDSON VALLEY FEDERAL CREDIT UNION will be required to provide you the protections of the SCRA if you took out your loan and made a down payment on the motor vehicle, or at least one payment on the loan, when you were not in military service. Additionally, if HUDSON VALLEY FEDERAL CREDIT UNION takes you to court to repossess your motor vehicle, the court may take steps to ensure that a judgment is not entered against you if you are unable to appear.

Before waiving these important statutory rights, you should consult an attorney regarding how best to exercise your rights or whether it is in your interest to waive these rights under the conditions offered by HUDSON VALLEY FEDERAL CREDIT UNION.

For More Information:

- **CONSULT AN ATTORNEY:** To fully understand your rights under the law, and before waiving your rights, you should consult an attorney.
- **JAG / LEGAL ASSISTANCE:** Servicemembers and their dependents with questions about the SCRA should contact their unit's Judge Advocate, or their installation's Legal Assistance Officer. A military legal assistance office locator for all branches of the Armed Forces is available at <http://legalassistance.law.af.mil/content/locator.php>.
- **MILITARY ONESOURCE:** "Military OneSource" is the U.S. Department of Defense's information resource. Go to <http://www.militaryonesource.com>.

EXHIBIT B-1

DECLARATION

I, [INSERT NAME], do hereby declare and state as follows:

1. I owned a vehicle THAT WAS OBTAINED THROUGH A LOAN WITH HUDSON VALLEY FEDERAL CREDIT UNION, Loan Number [LOAN NUMBER]. My vehicle was repossessed.
2. I obtained the loan on or about [LOAN FUNDING DATE].
3. On or about [REPOSSESSION DATE], I **WAS** either:
 - i. on a covered period of military service; **OR**
 - ii. a member of a reserve component (Reserves or National Guard) and had received orders to report for a covered period of military service.
4. Please consider the following additional information in support of this Declaration:

I confirm that the foregoing is true and correct.

Executed this _____ day of _____, 20 .

SIGNATURE:

PRINT NAME:

APPENDIX REGARDING MILITARY SERVICE

As used in this Declaration, a “covered period of military service” is any of the following:

- a) Full-time active duty with the armed forces of the United States (Army, Navy, Air Force, Marine Corps, or Coast Guard);
- b) A period of active service with the National Guard: i) authorized by the President or the Secretary of Defense; ii) longer than thirty (30) consecutive days; iii) under orders issued under Section 502(f) of Title 32 of the United States Code; and iv) for the purpose of responding to a national emergency declared by the President and supported by federal funds;
- c) Active service as a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration; or
- d) A period of time during which I was a servicemember absent from duty on account of sickness, wounds, leave, or other lawful cause.

If you have any additional questions about whether your service constitutes a “covered period of military service” for purposes of this declaration, please contact the United States Attorney’s Office for the Southern District of New York at 212-637-2743 and reference the Hudson Valley SCRA motor vehicle case.

EXHIBIT B-2

RELEASE

In consideration for the parties' agreement to the terms of the Stipulation of Settlement resolving the United States' allegations in United States v. Hudson Valley Federal Credit Union, Civil No. XXX (S.D.N.Y.) and HUDSON VALLEY FEDERAL CREDIT UNION's payment to me of \$ [AMOUNT]:

I, [BORROWER'S NAME], hereby release and forever discharge all claims, arising prior to the date of this Release, related to the facts at issue in the litigation referenced above and related to alleged violations of Section 3952(a) of the Servicemembers Civil Relief Act, that I may have against HUDSON VALLEY FEDERAL CREDIT UNION and all related entities, parents, predecessors, successors, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors or assigns.

The parties represent and warrant to each other, that the parties specifically understand and agree that the parties' settlement and compromise of claims and disputes regarding the retail installment sales contract and the vehicle is a compromise of disputed claims and that the existence of this Agreement or any payment made hereunder shall not be construed as an admission of liability of the allegations, claims or contentions of any party, and that there are no covenants, promises, undertakings or understanding between the parties outside of this Agreement except as specifically set forth herein.

Executed this _____ day of _____, 20 __.

SIGNATURE:

PRINT NAME:
