

May 13, 2015

The Honorable Pete Sessions
Chairman
Committee on Rules
U.S. House of Representatives
H-312 The Capitol
Washington, DC 20515

The Honorable Louise Slaughter
Ranking Member
Committee on Rules
U.S. House of Representatives
1627 Longworth House Office Building
Washington, DC 20515

RE: Oppose NDAA Amendment #268 (Stivers) – Database Certification Requirement
is Unnecessary and Will Delay New Military Financial Protections

Dear Chairman Sessions and Ranking Member Slaughter:

The undersigned military, consumer and civil rights organizations urge you to oppose Amendment #268 to the FY2016 National Defense Authorization Act. The unnecessary database certification requirement will delay the finalization of the Department of Defense (DoD) proposed rule to protect servicemembers from 400 percent payday loans and other abusive credit.

The DoD has described payday and other high-cost lending as “the biggest, current financial challenge facing our servicemembers, Veterans, and their families.”

In 2014, a DoD report found that one in ten enlisted servicemembers were targeted by payday lenders and other high-cost lenders that were evading the Military Lending Act 36 percent annual interest rate cap established by Congress in 2006.

It is unconscionable that Congress would consider putting servicemembers at risk of financial harm to protect payday lenders.

- **In the fall of 2014, DoD proposed a rule to close loopholes in the Military Lending Act** to cover payday and other lenders that offer abusive loans specifically designed to evade the current protections.
- **The unnecessary database certification requirement in this amendment will delay the release of the DoD final rule.** DoD has requested and received extensive comments from financial services industry experts on how to improve its process to ensure servicemembers and their families receive the full financial protections provided by the Military Lending Act.
- **Similar redundant reporting requirements and unnecessary certifications were already defeated** in the House Armed Service Committee on April 30 by a bi-partisan vote.

The proposed rule to protect servicemembers from predatory lenders has already been exhaustively researched and debated. In April 2014, DoD submitted a report to Congress outlining the urgent need to protect servicemembers from predatory lending and in Fall 2014 solicited comments on the proposed rule – even extending the deadline to allow additional comments.

We urge you to oppose the Stivers Amendment #268 to the FY2016 NDAA , which would require DoD to provide Congress with an unnecessary database certification and to oppose any other attempts to delay

DoD's effort to protect servicemembers and their families from payday loans and other predatory products.

Sincerely,

Americans for Financial Reform
American Association for Justice
Center for Digital Democracy
Center for Responsible Lending
Colorado Progressive Coalition
Consumer Action
Consumers for Auto Reliability and Safety
Consumer Federation of America
Consumers Union
Fleet Reserve Association (FRA)
Grass Roots Organizing (MO)
Idaho Community Action Network
Illinois People's Action
Iowa Citizens for Community Improvement
Maine People's Alliance
NAACP
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low-income clients)
National People's Action
Other98
Public Citizen
Reinvestment Partners (NC)
Tennessee Citizen Action
US PIRG
Woodstock Institute (IL)

Cc: Members of the House Committee on Rules