

Congress Must Defend Service Members from Predatory Financial Scams

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Consumer Groups Applaud Reform Applaud Legislation to Enforce Financial Protections for Military Personnel

WASHINGTON, D.C. – Public Citizen, Americans for Financial Reform, the Consumer Federation of America and the National Consumer Law Center applaud U.S. Sens. Jack Reed (D-R.I.), Sherrod Brown (D-Ohio) and their colleagues for reintroducing the Military Consumer Enforcement Act, which would empower the U.S. Consumer Financial Protection Bureau (CFPB) to oversee and enforce certain provisions of the Servicemember Civil Relief Act (SCRA).

Originally passed during World War II and modernized in 2003, the SCRA was intended to ease economic burdens on military personnel and ensure military readiness by protecting service members against common banking abuses.

“Predatory schemes frequently target service members and their families,” said Lisa Donner, executive director of Americans for Financial Reform. “This legislation grants the CFPB the authority it needs to effectively enforce crucial SCRA protections that make sure banks can’t put military families out on the street or seize their cars in violation of the law.”

“This legislation is needed now more than ever,” said Lisa Gilbert, vice president of legislative affairs for Public Citizen. “As banks and lenders force consumers into secret arbitration and block even our service members from enforcing basic rights in court, our last line of defense is federal intervention.”

“The CFPB has a strong record of safeguarding military families from financial fraudsters,” said Michael Best, senior policy advocate for the Consumer Federation of America. “By equipping the agency with new tools, it can continue to protect consumers and companies that play by the rules.”

“The Consumer Financial Protection Bureau has returned \$130 million to service members from predatory lenders,” said Lauren Saunders, associate director of the National Consumer Law Center. “It’s a no-brainer for Congress to give the CFPB the tools to further protect those who protect us. This legislation should enjoy strong bipartisan support.”

The U.S. Office of Servicemember Affairs at the CFPB has acted as a watchdog for military personnel and served the distinct financial needs of military families. Military leaders nationwide have lauded the work of the consumer agency and its dedicated Office of Servicemember Affairs.

Earlier this year, military family and consumer advocates told the U.S. Senate Armed Services Committee about the need to vigorously enforce laws combatting financial fraud that specifically target the military community. Last month, 29 leading military and veterans groups and two grassroots organizations representing U.S. veterans and military family members sent separate letters urging members of Congress to defend the CFPB against threats to its authority, structure and funding.

The Military Consumer Enforcement Act is co-sponsored by U.S. Sens. Jon Tester (D-Mont.), Richard

Blumenthal (D-Conn.), Tim Kaine (D-Va.), Tammy Duckworth (D-Ill.), Elizabeth Warren (D-Mass.), Tammy Baldwin (D-Wis.), Al Franken (D-Minn.), Amy Klobuchar (D-Minn.), Chris Van Hollen (D-Md.) and Catherine Cortez-Masto (D-Nev.), Bob Menendez (D-NJ), Mazie Hirono (D-HI), and Dick Durbin (D-IL).

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