

**NINETY-NINTH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
Reno, Nevada
August 22, 23, 24, 2017**

Resolution No. 83: Protect Veteran and Servicemember Rights to Fair Consumer Arbitration

Origin: Convention Committee on Veterans Employment & Education

Submitted by: Convention Committee on Veterans Employment & Education

WHEREAS, The American Legion is a national organization of veterans who have dedicated themselves to the service of the community, state and nation; and

WHEREAS, The U.S. Consumer Financial Protection Bureau's (CFPB) rule on Arbitration Agreements (Docket No. CFPB-2016-0020; RIN 3170-AA51) addresses the widespread harm of forced arbitration by restoring the ability of servicemembers, veterans and other consumers to join together and seek relief in class action lawsuits when financial institutions break the law; and

WHEREAS, Congress enacted the Servicemembers Civil Relief Act (SCRA), 50 U.S.C. app. §§ 501 et seq., to strengthen and expedite national defense by granting servicemembers certain protections in civil actions against default judgments, foreclosures and repossessions, enforceable in a court of law; and

WHEREAS, In some cases, financial institutions violate SCRA or other statutory or constitutional protections in their interactions with servicemembers; and

WHEREAS, Many financial institutions include pre-dispute mandatory arbitration clauses in contracts of adhesion that bar servicemembers and others from bringing a legal action in court or banding together in a class action lawsuit to seek relief under federal or state law; and

WHEREAS, Class action waivers are particularly burdensome to servicemembers, who may not be able to challenge a financial institution's illegal or unfair practices individually due to limited resources, deployment or frequent relocations; and

WHEREAS, The Department of Defense concluded in 2006 that "Servicemembers should maintain full legal recourse against unscrupulous lenders. Loan contracts to servicemembers should not include mandatory arbitration clauses or onerous notice provisions, and should not require the servicemember to waive his or her right of recourse, such as the right to participate in a plaintiff class"; and

WHEREAS, This is extremely unfair to bar servicemembers, veterans and other consumers from joining together to enforce statutory and constitutional protections in court, placing an extreme hardship on the individual; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Reno, Nevada, August 22, 23, 24, 2017, That The American Legion oppose legislation to repeal the Consumer Financial Protection Bureau's rule on arbitration agreements and bar servicemembers, veterans and other consumers from joining together in court against unscrupulous financial institutions.