

August 21st, 2018

Secretary James N. Mattis
US Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

Director Mick Mulvaney
Consumer Financial Protection Bureau
1700 G St. N.W.
Washington, D.C. 20552

Dear Secretary Mattis and Director Mulvaney:

The National Military and Veterans Alliance, a nonpartisan advocacy group comprised of the undersigned military and veterans service organizations, write to urge continued strong enforcement and supervision of the Military Lending Act and to stand against any attempts to undermine or weaken it.

Broad bipartisan support led to the enactment of the Military Lending Act. Recognizing the risk to military readiness when service members are targeted for high interest rates, Congress chose to cap the interest rate to service members at 36%.

Service members and their families suffer harm when predatory lenders target them with financial fraud and extremely high interest rates. As you know, maps of the location of payday lenders have shown they surround military bases and target our military.

But the harm is not only to service members. The harm also extends to the Pentagon's costs and military readiness. The Defense Department has explained:

“[T]he anticipated benefit of [ensuring the Military Lending Act's 36% interest rate cap] are the savings attributable to lower recruiting and training expenses associated with the reduction in involuntary separation of Service members where financial distress is a contributing factor. Each separation of a Service member is estimated to cost the Department \$58,250, and the Department estimates that each year approximately 4,640 to 7,580 Service members are involuntarily separated where financial distress is a contributing factor. If the Department's proposed regulation could reduce the annual number of involuntary separations where financial distress is a contributing factor from between 5 to 30 percent, the savings to the Department could be in the range of approximately \$13.51 million to \$132.52 million each year.”¹

We urge you to stand with our military and against any attempt to weaken the Military Lending Act, including the Bureau's supervisory and enforcement authority and the Department's rules against predatory lending by all business, including car dealerships.

Sincerely,

¹ 80 FR 43559 (July 22, 2015)



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National Military and Veterans Alliance Member Organizations Supporting This Issue

American Military Society
American Retirees Association
Armed Forces Marketing Council
Armed Forces Retirees Association
Army and Navy Union
Association of the United States Navy
Military Order of Foreign Wars
Military Order of the Purple Heart
Reserve Officers Association
Society of Military Widows
The Retired Enlisted Association
Tragedy Assistance Program for Survivors
Veterans' Education Success
Vietnam Veterans of America

cc: Members of the US Senate Armed Services Committee, US House Armed Services Committee, US Senate Banking Committee, and US House Financial Services Committee