

August 23, 2018

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

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

Dear Secretary Mattis and Acting Director Mulvaney:

The undersigned military and veterans service organizations, representing millions of current and former servicemembers and their families and survivors, 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 servicemembers are targeted for high interest rates, Congress chose to cap the interest rate to servicemembers at 36%.

Servicemembers 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 the troops.

But the harm is not only to servicemembers. 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 the troops 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 businesses, including by car dealerships.

Thank you.

¹ 80 FR 43559 (July 22, 2015)

Sincerely,

Keith A. Reed
Headquarters Executive Director
Air Force Sergeants Association

Nichole King-Campbell
AFWOA Representative
Air Force Women Officers Associated

Joseph Chenelly
Executive Director
AMVETS National Headquarters

Ted Painter
Executive Director
Armed Forces Retirees Association

Kevin Cochie
The Military Coalition Representative
Army Aviation Association of America

Kathy Roth-Douquet
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John McElligott
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Commissioned Officers Association of the US
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High Ground Veterans Advocacy

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Military Chaplains Association

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Mike Saunders
Legal Advocacy Director
Veterans Education Success

Bob Wallace
Executive Director, Washington Office
Veterans of Foreign Wars

Bethany Keirans
Director
VetsFirst, a program of United Spinal
Association

John Rowan
Executive Director
Vietnam Veterans of America

Rene Bardof
Senior Vice President, Government &
Community Relations
Wounded Warrior Project

cc: White House Chief of Staff John Kelly, Members of the US Senate Armed Services Committee, US House Armed Services Committee, US Senate Banking Committee, and US House Financial Services Committee, Speaker of the House, US House Minority Leader, US Senate Majority & Minority Leaders.