



Consumer Federation of America

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**HOUSE ARMED SERVICES COMMITTEE CLEARS THE WAY FOR
NEW MILITARY FINANCIAL PROTECTIONS**

*Rep. Duckworth-led Amendment to 2016 National Defense Authorization Act Halts
Effort to Delay Military Lending Act*

Washington, D.C.—Late last night, Rep. Tammy Duckworth of Illinois rallied a bi-partisan group of House Armed Services Committee members to defeat an effort by predatory lenders to delay the implementation of new DoD-backed financial protections for servicemembers. The new Department of Defense (DoD) rules will expand the coverage of the Military Lending Act and protect servicemembers from 400 percent payday loans and other high-cost credit.

The new rules are expected to be released by DoD later this year and are opposed by lenders that have modified predatory products to escape regulation and target servicemembers.

Tom Feltner, director of financial services at Consumer Federation of America, released the following statement:

Loopholes in the Military Lending Act rules have allowed payday and other high-cost lenders to target servicemembers – putting their security clearances and careers in jeopardy. These loopholes have allowed lenders to circumvent the current 36 percent rate cap for servicemembers and their families by structuring loans as a day longer or a dollar more than the DoD limits. The Department of Defense’s exhaustive research is clear – the current rules are not working for one in ten enlisted servicemembers that are still being targeted by predatory lenders.

We applaud Tammy Duckworth for her steadfast leadership implementing the Military Lending Act.

We also thank the bi-partisan group of House Armed Services Committee members that supported this amendment and blocked efforts to delay these much-needed protections. The adoption of the Duckworth amendment as part of the 2016 National Defense Authorization Act sends an important message that further efforts to stall financial protections for servicemembers have no place in must-pass defense legislation.

The Consumer Federation of America is a national organization of more than 250 nonprofit consumer groups that was founded in 1968 to advance the consumer interest through research, advocacy, and education.