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U.S. PIRG
Federation of
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April 29, 2015

The Honorable Mac Thornberry
Chairman
Armed Services Committee
U.S. House of Representatives
Washington, DC

The Honorable Adam Smith
Ranking Member
Armed Services Committee
U.S. House of Representatives
Washington, DC

Re: Support Duckworth amendment to NDAA H.R. 1735 to protect servicemembers from predatory lenders without delay

Dear Chairman Thornberry and Ranking Member Smith:

The undersigned organizations urge you to support the Duckworth amendment to the strike the harmful Military Lending Act report requirement from the National Defense Authorization Act for FY2016. The report requirement will delay the finalization of the Department of Defense (DoD) proposed rule to protect servicemembers from 400 percent payday loans and other abusive credit.

The Department of Defense has determined that predatory lending impacts servicemembers' security clearance which in turn impacts the ability of our military to deploy troops overseas. It is unconscionable to think Congress would risk national security to protect payday lenders.

About the amendment:

- In the fall of 2014, **DoD proposed a rule to close loopholes in the Military Lending Act** to cover payday and other lenders that offer abusive loans specifically designed to evade the current protections.
- **The report requirement in H.R. 1735, will delay the release of the DoD final rule** to protect servicemembers from predatory loans by as much as a year.

- **The amendment offered by Rep. Duckworth strikes the report requirement** and will allow DoD to move forward with a final rule without delay and protect servicemembers and their families from predatory lending.

[The Department of Defense has described](#) payday and other high-cost lending as “the biggest, current financial challenge facing our servicemembers, Veterans, and their families.”

We urge you to support the Duckworth amendment to strike the burdensome and duplicative MLA report requirement from the NDAA and oppose any other attempts to delay DoD’s effort to protect servicemembers and their families from payday loans and other predatory products.

Sincerely,

Americans for Financial Reform
Center for Responsible Lending
Consumer Action
Consumer Federation of America
Consumers Union
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low-income clients)
US PIRG

CC: Members of the House Armed Services Committee