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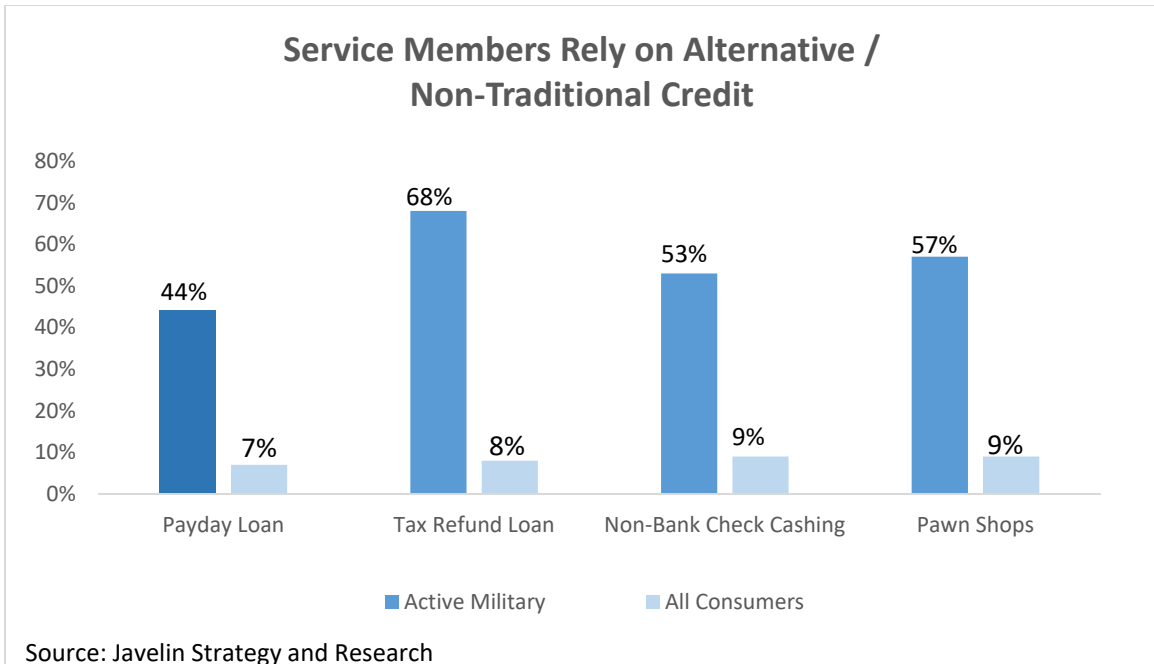
U.S. Senator Martin Heinrich • Ranking Member

Administration Abandons Lending Protections for Service Members

The Consumer Financial Protection Bureau (CFPB) under President Trump’s direction plans to eliminate its supervisory role under the Military Lending Act (MLA) of predatory lenders who charge excessive interest on loans to service members.¹ These predatory lenders target young service members and their families who lack an established credit history and have less access to traditional forms of credit when emergencies occur.

Military family and veterans organizations are fighting to keep these important financial protections.² By the Department of Defense’s (DoD) own estimates, up to 7,580 service members are involuntarily separated yearly due to financial distress, with each separation costing DoD \$58,250, at a total cost of over \$400 million annually to taxpayers.³ The Consumer Federation of America has called the CFPB’s planned elimination of its MLA oversight duties “completely unacceptable.”⁴ Attorneys General from 33 states have called upon the CFPB to continue protecting service members under the MLA.⁵

While congressional Democrats have publicly urged the Trump administration not to abandon its duty to protect our service members and their families, Republicans in both the House and Senate have been silent on this issue. At a time of long and constant deployments, Congress must protect service members and their families from predatory lending practices. The CFPB’s role in this is critical, and Republicans must stand with Democrats in demanding that the Trump administration withdraw their plans to weaken these protections.



¹ <https://bangordailynews.com/2015/08/12/business/payday-loan-lenders-prey-on-military-families-at-twice-the-rate-of-civilians/>

² <https://www.militarytimes.com/pay-benefits/2018/08/23/advocates-to-mattis-dont-waver-in-protecting-troops-against-predatory-lenders/>

³ <https://www.gpo.gov/fdsys/pkg/FR-2015-07-22/html/2015-17480.htm>

⁴ <https://www.mpamag.com/news/investor-mortgage/cfpb-policy-on-military-lending-supervision-unacceptable-says-consumer-group-115292.aspx>

⁵ <https://www.wlox.com/2018/10/23/ags-want-better-enforcement-military-lending-act-protections/>