



## T H E M I L I T A R Y C O A L I T I O N

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(703) 838-8143

July 25, 2017

The Honorable Paul Ryan  
Speaker of the House  
US House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Senate Majority Leader  
US Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
House Minority Leader  
US House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Senate Minority Leader  
US Senate  
Washington, DC 20510

Dear Rep. Ryan, Rep. Pelosi, Sen. McConnell, and Sen. Schumer:

The Military Coalition (TMC), a consortium of uniformed services and veterans organizations representing more than 5.5 million current and former servicemembers and their families and survivors writes today in strong support of the Consumer Financial Protection Bureau's (CFPB) final rule on Arbitration Agreements (Docket No. CFPB-2016-0020; RIN 3170-AA51). The final rule addresses the widespread harm of forced arbitration by preserving the ability of service members and other consumers to band together to seek relief through the civil justice system when financial institutions have broken the law. We applaud the CFPB for moving forward on this rule that recognizes the detrimental effects of forced arbitration and class action waivers on our brave men and women in uniform.

Forced arbitration is an un-American system wherein service members' claims against a corporation are funneled into a rigged, secretive system in which all the rules, including the choice of the arbitrator, are picked by the corporation. Found in almost every financial services contract, forced arbitration clauses systematically include a provision banning the rights of consumers to band together to hold a corporation accountable. Given the exponential and expansive use of these clauses by financial institutions in contracts with service members, prohibiting the practice of forcing service members to surrender fundamental Constitutional and statutory rights through the use of pre-dispute forced arbitration clauses is now more critical than ever.

Our service members protect our nation against both foreign and domestic threats. The sacrifices and logistical undertakings they and their families make in order to serve are compelling reasons alone to ensure they are not only shielded from predatory financial practices and unscrupulous lenders, but are also able to enforce their congressionally mandated rights through our civil justice system if and when violations arise.

However, class action waivers work against these rights. They are particularly abusive when enforced against service members, who may not be in a position to individually challenge a financial institution's illegal or unfair practices because of limited resources or frequent relocations or deployment. Furthermore, for those service members on active duty and serving overseas, it is critical to retain the ability to get justice without having to interrupt their service and distract their attention from the mission at hand. Since these types of service members cannot participate full time in pursuing an individual claim, being able to enforce their rights through the class action mechanism is essential. Thus service members should receive the benefits of participating in a class action despite their inability to shoulder the burden of bringing a claim alone.

Our nation's veterans should not be deprived of the Constitutional rights and freedoms that they put their lives on the line to protect, including the right to have their claims heard in a trial by a jury when their rights are violated. The catastrophic consequences these clauses pose for our all-voluntary military fighting force's morale and our national security are vital reasons for this rule to take effect immediately.

Sincerely,

The Military Coalition  
(Signatures attached)

Denise Nollywood

Air Force Association

[Signature]

Air Force Sergeants Association

Patricia M. Murphy

Air Force Women Officers  
Associated

E. J. Sinclair

Army Aviation Association of America

[Signature]

AMSUS, the Society of Federal Health Professionals

Gary Hall

Association of the United States Navy

James T. Currie

Commissioned Officers Assn. of the US Public  
Health Service, Inc

Carol Setteducato

CWOA, US Coast Guard

[Signature]

Enlisted Association of the National  
Guard of the US

Thomas Snee

Fleet Reserve Association

[Signature]

Iraq & Afghanistan Veterans  
of America

Norman Rosenbergs

Jewish War Veterans of the USA

[Signature]

Marine Corps League

[Signature]

Marine Corps Reserve Association

Dana T. Atkins

Military Officers Association of America

[Signature]

Military Order of the Purple Heart

[Signature]

National Guard Assn. of the US

[Signature]

National Military Family Association

[Signature]

Naval Enlisted Reserve Assn.

[Signature]

Non Commissioned Officers Assn.  
of the United States of America

[Signature]

Reserve Officers Association

[Signature]

Service Women's Action Network

[Signature]

The Military Chaplains Assn. of the USA

[Signature]

The Retired Enlisted Assn.

[Signature]

Tragedy Assistance Program for  
Survivors

[Signature]

USCG Chief Petty Officers Assn.

[Signature]

US Army Warrant Officers Assn.

[Signature]

Vietnam Veterans of America