Re: National Defense Authorization Act, Section 653: Review and Update of Regulations Governing Debt Collectors Interactions with Unit Commanders

Dear Chairman McCain, Chairman Thornberry, Ranking Member Reed, and Ranking Member Smith:

Men and women who serve in the United States military should be protected from predatory practices that seek to take advantage of them as a result of their uniform.

The Consumer Financial Protection Bureau (CFPB) has documented instances of harassment of members of the Armed Forces by debt collectors, including contacting or threatening to contact commanding officers in order to coerce payment of alleged debts.\(^1\) The Department of Defense (DOD) has policy directives governing how members of our Armed Services must comply with debt collectors, including when creditors can receive processing assistance from commanders.\(^2\) However, these policies are nearly a decade old and do not reflect changes in the law. As a result, unscrupulous actors exploit these out-of-date policies by, for example, creating the false impression that financial contracts grant debt collectors an unrestricted right to contact a servicemember’s commanding officer.

Section 653 of National Defense Authorization Act (NDAA)\(^3\) would address this problem by requiring the DOD to review and update its policies to ensure that such regulations comply with current federal consumer protections, including the Fair Debt Collection Practices Act.

It is time for the DOD to review and update its policies in order to protect the financial health of members of our Armed Servicers and their families, which, in turn, supports military readiness. We urge NDAA conference committee members to include Section 653 in the final, conferenced version of NDAA for Fiscal Year 2018.

Sincerely,

Allied Progress
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
Endnotes

