

October 24, 2017

The Honorable John McCain
Chairman, Senate Armed Services
Committee
218 Russell Senate Office Building
Washington, DC 20510

The Honorable William Thornberry
Chairman, House Armed Services
Committee
2208 Rayburn House Office Building
Washington, DC 20515

The Honorable Jack Reed
Ranking Member, Senate Armed Services
Committee
218 Russell Senate Office Building
Washington, DC 20510

The Honorable Adam Smith
Ranking Member, House Armed Services
Committee
2208 Rayburn House Office Building
Washington, DC 20515

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actors exploit these out-of-date policies by, for example, creating the false impression that financial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 Servicemen 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)

Americans for Financial Reform (AFR)
Center for Responsible Lending
Consumer Action
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low-income clients)
New York Legal Assistance Group
Public Justice Center
Public Law Center
U.S. Public Interest Research Group (PIRG)
Veterans Education Success

Endnotes

¹ Consent Order, In the Matter of Navy Federal Credit Union (Oct. 11, 2016); Consumer Financial Protection Bureau, Servicemembers 2015: A Year in Review (Mar. 2016); Consent Order, In the Matter of Security National Automotive Acceptance Company (Oct. 28, 2015); Written Testimony of Holly Petraeus before the Senate Committee on Banking, Housing and Urban Affairs (Jun. 26, 2012).

² DOD Instruction 1344.09, Available at: <http://www.dtic.mil/whs/directives/corres/pdf/134409p.pdf>.

³ S. 1519 Report Number 115-125, Available at: <https://www.congress.gov/bill/115th-congress/senate-bill/1519/text>.