



SECRETARY OF THE ARMY  
WASHINGTON

MAY 12 2010

The Honorable Christopher Dodd  
Chairman  
Committee on Banking, Housing and Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

I am writing regarding the legislation before the Senate which would establish the Consumer Financial Protection Agency (CFPA) and delineate the limits of its authority.

I understand that an amendment may soon be introduced that would exempt automobile dealerships from any financial oversight under the CFPA. The Army would have strong concerns with any such amendments.

Over the years, many of our Soldiers have fallen victim to predatory lending practices and have entered into contracts for prohibitively expensive financial products promoted by some unscrupulous car dealerships and lenders. Though the Army does educate our Soldiers about buying cars in our normal financial education curriculum, the fact remains that junior enlisted Soldiers – many of whom are drawing a regular paycheck for the first time in their lives and are inexperienced in financial matters – remain an easy target for dishonest brokers. We owe them the protection and oversight that would be afforded by the CFPA.

In an era of persistent conflict and multiple deployments, our Soldiers and their Families are under increasing stress. In surveys conducted by the Department of Defense, finances rank among the primary causes of stress for most military Families. As auto loans are often the most significant financial obligations of our Soldiers – particularly within the junior enlisted grades – we believe that greater government oversight of auto financing and sales for our Soldiers will help protect them and reduce unnecessary financial strain on our already overburdened Army Families.

Soldiers who are distracted by financial issues at home are not fully focused on fighting the enemy, thereby decreasing mission readiness. Protection from unprincipled auto lending enables our Soldiers to concentrate on their primary mission – protecting our great Nation.

Thank you for your continued support of our Soldiers and their Families.

Sincerely,

A handwritten signature in black ink that reads "John M. McHugh". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

John M. McHugh