



The CFPB's Work to Protect Servicemembers, Veterans, and Military Families

Congress established the CFPB's Office of Servicemember Affairs to support servicemembers, veterans, and military families by helping them address unexpected financial challenges and to protect them in the consumer marketplace.

The servicemember population includes more than:

- 1.3 million active-duty servicemembers;
- 1.5 million family members of active-duty servicemembers;
- 766 thousand members of the National Guard and Reserve;
- 974 thousand National Guard and Reserve family members; and
- 17.9 million veterans.

The CFPB enforces the Military Lending Act (MLA), which provides special protections for active duty servicemembers, including a cap on interest rates on many types of consumer loans. The CFPB also examines supervised financial institutions for risks to active duty servicemembers and their families from conduct that violates the MLA.

Additionally, when CFPB examiners identify potential Servicemembers Civil Relief Act (SCRA) violations or an absence of SCRA compliance policies and procedures, we refer the matter to the appropriate federal and state regulators and also assess whether the conduct may also violate other statutes we enforce, such as the Consumer Financial Protection Act. The SCRA was enacted to provide key protections for servicemembers in the event that legal or financial transactions adversely affect their rights during military or uniformed service. These protections enable servicemembers to devote their entire energy to the nation's defense needs.

To ensure servicemembers receive the protections they are entitled to under law, the CFPB works with other federal, state, and non-profit entities, including the U.S. Department of Defense, the U.S. Department of Justice, the U.S. Federal Trade Commission, and the U.S. Department of Veterans Affairs. The CFPB also conducts extended outreach to military and veteran service organizations, consumer advocacy groups, and other organizations to ensure that members of the military and veteran community know their rights and are protected from financial harm caused by bad actors.

As of November 2024, the CFPB has secured \$363 million in monetary relief resulting from 45 public enforcement actions that involved harm to servicemembers and veterans, including six enforcement actions for violations of the MLA. In December 2023, the CFPB sent [\\$6 million in financial relief](#) to consumers harmed by illegal lending practices targeting veterans. Five individuals and their companies misled veterans and other consumers into selling their pension and disability payments, which is illegal under federal and relevant state law.

Highlights of CFPB's work to protect servicemembers include:

Handling Consumer Complaints for Servicemembers, Veterans, and their Families

- Servicemembers, veterans, and their families have submitted more than 407,000 consumer complaints since the CFPB opened its doors in 2011. In 2023, they submitted nearly 84,600 complaints to the CFPB, a 27 percent increase from 2022 and a 98 percent increase from 2021. The number of complaints filed by servicemembers increased across all major consumer financial products, including credit or consumer reporting, debt collection, credit cards, checking or savings accounts, and mortgages.

Protecting Servicemembers from Illegal Fees, High-Interest Loans, and False Advertising

- [In November 2024](#), the CFPB took action against Navy Federal Credit Union for charging illegal overdraft fees. From 2017 to 2022, Navy Federal Credit Union charged members surprise overdraft fees on certain ATM withdrawals and debit card purchases, even when their accounts showed sufficient funds at the time of the transactions. The CFPB ordered Navy Federal Credit Union to refund more than \$80 million to consumers, stop charging illegal overdraft fees, and pay a \$15 million civil penalty to the CFPB's [victims relief fund](#). This is the largest amount the CFPB has ever obtained from a credit union for illegal activity.
- [In August 2024](#), the CFPB ordered repeat offender NewDay USA to pay \$2.25 million for illegally luring veterans and military families into cash-out refinance loans. The CFPB found that NewDay USA gave misleading and incomplete cost comparisons to borrowers refinancing in North Carolina, Maine, and Minnesota, which made the company's loans appear less expensive relative to their existing mortgages.
- [In February 2023](#), the CFPB permanently banned RMK Financial Corporation (RMK), which does business as Majestic Home Loans, from the mortgage lending industry. In 2015, the CFPB issued an order against RMK for, among other things, sending advertisements to military families that led the recipients to believe the company was affiliated with the United States government. Despite the 2015 order's prohibition on these and other actions, the company engaged in a series of repeat offenses. In addition to the ban, RMK paid a \$1 million penalty to the CFPB's victims relief fund.
- [In February 2023](#), the CFPB took action against a web of corporate entities operating under TMX Finance, broadly known as TitleMax, for violating the financial rights of military families and other consumers in providing auto title loans. The CFPB found that TitleMax violated the MLA by extending prohibited title loans to military families and, oftentimes, by charging nearly three times over the statute's 36 percent annual interest rate cap. The CFPB's order ended TitleMax's illegal activities and required the company to pay more than \$5 million in consumer relief and a \$10 million civil money penalty.
- [In September 2022](#), the CFPB filed a lawsuit against MoneyLion Technologies (MoneyLion), an online lender, and 38 of its subsidiaries, for imposing illegal and excessive charges on servicemembers and their dependents. The CFPB alleges that MoneyLion violated the MLA by charging more than the legally allowable 36 percent rate cap on loans to servicemembers and their dependents, through a combination of stated interest rates and monthly membership fees.

- [In November 2021](#), the CFPB filed a lawsuit against FirstCash, Inc. and Cash America West, alleging that they violated the MLA by charging higher than the allowable 36 percent annual percentage rate on pawn loans to active duty servicemembers and their dependents. The CFPB also alleges that FirstCash violated a [2013 CFPB](#) order against its predecessor company prohibiting MLA violations.

Protecting Servicemembers from Military Allotment System Abuses

- The CFPB continues to [hear from servicemembers and their families](#) that some lenders are evading [allotment protections](#). For example, lenders may attempt to get around the rules by creating allotment-funded savings accounts for servicemembers and then arranging for automatic payments from those accounts. Servicemembers get left with debt on overpriced goods and may even incur junk fees on multiple new accounts they did not know existed.
- As a first step, [the CFPB's examiners reviewed](#) the activities of allotment providers that offer allotment savings account products, including accounts owned by servicemembers. This review uncovered that certain providers failed to provide servicemembers with timely statements that would have informed them that they were being charged a monthly fee. To address these issues, the allotment providers corrected this failure and refunded fees charged to affected servicemembers. Certain providers also stopped opening multiple allotment accounts for the same consumer.

Protecting Servicemembers from Identity Theft

- A [January 2023 CFPB report](#) found that reports of military identity theft are increasing. This trend makes rights that help protect servicemembers from identity theft such as timely security freezes and removal from pre-screened credit offers more important than ever.
- In October 2023, [the CFPB found](#) that TransUnion had failed to provide crucial identity theft protection for thousands of individuals, including active-duty members of the military. For months, the company failed to remove consumers and servicemembers with extended fraud alerts and active-duty alerts from pre-screened solicitation lists, in violation of the Fair Credit Reporting Act. In addition, since at least 2003, TransUnion had failed to place or remove security freezes on tens of thousands of credit reports in a timely manner. Despite these failures, TransUnion falsely represented to consumers that their requests were processed when they were not. The CFPB's order required TransUnion to pay \$3 million to consumers, clean up the problems that caused these violations, and pay a \$5 million penalty.

Partnering with the U.S. Department of Justice (DOJ) to Remind Mortgage Servicers, Landlords and Other Housing Providers, and Auto Lenders of their Responsibilities under the Servicemembers Civil Relief Act

- [In July 2022](#), the CFPB and the DOJ issued a joint letter reminding auto finance companies of their responsibilities to recognize important legal protections for military families under the SCRA. While servicemembers have the same rights as non-military borrowers, the SCRA provides additional rights to protect servicemembers and their families against unique financial challenges.

- [In December 2021](#), the CFPB and the DOJ issued two joint letters regarding important legal housing protections for military families. One letter was sent to landlords and other housing providers regarding protections for military tenants, while the second letter was sent to mortgage servicers regarding military borrowers who had already exited or would be exiting COVID-19 mortgage forbearance programs.

Highlighting Challenges Facing Servicemembers and Veterans With Student Loans

- In September 2024, the CFPB released its [annual report](#) on the top financial concerns facing servicemembers, veterans, and military families. The report finds that active duty and veteran students are encountering many financial challenges, including difficulties getting help from student loan servicers and transcript withholding by colleges and universities as a means to collect a debt or disputed fees. The report also identifies problems experienced by the military community with other financial products, such as an increase in reports of scams targeting older veterans.