

U.S. Sen. Baldwin: Joins colleagues to demand Trump administration protect troops from financial fraud

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[Reports](#) indicating the Trump Admin is planning to undermine key aspects of the Military Lending Act, make it easier for lenders to target U.S. troops & rip-off military families

49 Senators are urging Trump Admin to protect the finances of our troops and their families

WASHINGTON, D.C. - In an effort to protect soldiers and their families from abusive financial practices, U.S. Senator Tammy Baldwin joined her Senate colleagues in urging the Trump administration not to abandon its duty to protect our servicemembers and their families under the Military Lending Act (MLA).

The MLA was passed in 2006 with bipartisan support to help safeguard active-duty military members and their families from financial fraud, predatory loans and credit gouging. The law caps the annual interest rate for an extension of consumer credit to a servicemember or his or her dependents at 36%.

Last week, the [New York Times reported](#) that: “The Trump administration is planning to suspend routine examinations of lenders for violations of the Military Lending Act, which was devised to protect military service members and their families from financial fraud, predatory loans and credit card gouging, according to internal agency documents. Mick Mulvaney, the interim director of the Consumer Financial Protection Bureau, intends to scrap the use of so-called supervisory

examinations of lenders, arguing that such proactive oversight is not explicitly laid out in the legislation, the main consumer measure protecting active-duty service members, according to a two-page draft of the change.”

And [NPR reports](#) that the Trump administration is also taking aim at financial protections for members of the military by proposing to ease restrictions on “gap insurance” that could open up servicemembers to getting cheated by predatory practices when they purchase cars.

Recognizing that U.S. troops face unique financial challenges and that the financial readiness of our servicemembers is directly tied to military readiness, the Senators called on Mr. Mulvaney not to halt military lending checks or undertake measures that would potentially harm U.S. troops and their families, writing: *“The CFPB should not be abandoning its duty to protect our servicemembers and their families, and we seek your commitment that you will utilize all of the authorities available to the CFPB to ensure that servicemembers and their families continue to receive all of their MLA protections.”*

The letter, signed by all 49 Senate Democrats, was led by Senators Jack Reed (D-RI), the Ranking Member of the Armed Services Committee; Sherrod Brown (D-OH), Ranking Member of the Banking, Housing, and Urban Affairs Committee; Bill Nelson (D-FL), Ranking Member of the Commerce Committee; Jon Tester (D-MT), Ranking Member of the Veterans’ Affairs Committee; Senator Joe Donnelly (D-IN); and U.S. Senate Minority Leader Charles E. Schumer (D-NY).

The 49 Senators noted that the U.S. Department of Defense has attested to the fact that the MLA helps save U.S. taxpayer funds and that needlessly stopping proactive MLA examinations would be both inefficient and irresponsible.

“In addition, for our servicemembers, especially those who are deployed overseas facing hostile fire, it is unreasonable to place the burden of detecting and reporting MLA abuses on servicemembers, especially when they should be given every opportunity to focus squarely on their missions,” wrote the Senators. *“What the CFPB is reported to be contemplating is equivalent to forcing our armed forces to stop using radar, sonar, and other early warning technologies and instead react to threats as they occur. No one would force our armed forces to do so, and the CFPB should not similarly force any of its examiners to turn a blind eye. For generations, Americans have set partisanship aside and have made every effort to provide servicemembers and their families with all the resources and protections they*

deserve. We ask no less of you and, as such, seek your commitment that you will continue the CFPB's tradition of ensuring that servicemembers and their families receive all of their MLA protections by utilizing all of the authorities available to the CFPB."

Senate Democrats created the Office of Servicemember Affairs at the CFPB to serve as an independent watchdog for military personnel. The office focuses on consumer financial challenges affecting servicemembers and their families. It empowers servicemembers through financial education and works with CFPB examiners to ensure that all consumer protections are made available to servicemembers, while also monitoring complaints submitted by consumers to the CFPB, and coordinating with other federal and state agencies on military consumer protection measures.

The office has handled more than 90,000 consumer complaints from servicemembers and their families and taken action to [help return hundreds of millions into the pockets of servicemembers affected by harmful practices.](#)