

The American Legion



OFFICE OF THE
NATIONAL COMMANDER

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April 19, 2018

The Honorable Mike Crapo, Chairman
Senate Committee on Banking
SD-534 Dirksen Senate Office Building
Washington, DC 20510

Honorable Jeb Hensarling, Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking
SD-534 Dirksen Senate Office Building
Washington, DC 20510

Honorable Maxine Waters
Ranking Member
House Financial Services Committee
4340 Thomas P. O'Neill, Jr. Federal Office Building
Washington, DC 20024

Dear Chairman Crapo, Chairman Hensarling, Ranking Member Brown and Ranking Member Waters:

As National Commander of the nation's largest veterans service organization, I urge you to resist any effort to undermine or reverse the Consumer Financial Protection Bureau's (CFPB) rule addressing 300% interest payday loans.

I'm aware that 13 other servicemembers, veterans and military family organizations sent a letter opposing the CRA resolutions, but I wanted to personally emphasize The American Legion's opposition to chipping away at financial protections for veterans and military families.

While the Military Lending Act's 36% interest rate cap protects active servicemembers from predatory loan products, our nation's 22 million veterans are not covered by that Act, including the approximately 1.4 million veterans at risk of homelessness.¹ A recent study of veterans revealed startlingly high rates of 1 in 5 veterans reporting payday loan use, and often when veterans are already struggling with existing monthly expenses such as monthly bills or student loan debt.²

The CFPB's payday rule protects veterans from the terrible consequences of predatory lending by requiring lenders to establish a borrower's ability to repay before making a loan. We believe our nation's veterans deserve the same financial protections they had on active duty, until then, the CFPB's rule at least addresses some of the worst excesses of these shockingly high interest loans.

Every servicemember and veteran should have the right and responsibility to confront predatory loan practices. Please do not reverse this much needed, common-sense rule. Instead, help ensure successful transitions to civilian life for our servicemembers by building on the payday rule's foundation and increasing financial market protections for veterans and military families.

¹ "Background & Statistics." *National Coalition for Homeless Veterans*, http://nchv.org/index.php/news/media/background_and_statistics/.

² "Brief of Veteran Study Survey." Opportunity Alliance Nevada. http://www.opportunityalliancenv.org/wp-content/uploads/2015/02/OA-Veterans-OA-Breif-neb1_30_15.pdf at page 1.

Page # 2 - April 19, 2018 Ltr. to
Chairmen Crapo and Hensarling,
Sen. Brown and Rep. Waters

Our membership of more than 2 million veterans are unequivocally opposed to trading away our military and veterans' financial protections to increase corporate profits. The American Legion urges Congress to oppose S.J. Res. 56 and H.J. Res. 122 and we look forward to working with you to increase financial protections for veterans and military families.

For God and Country,
Denise H. Rohan
DENISE H. ROHAN
National Commander