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Georgia Watch submits comments to Department of Defense on proposed Military Lending Act rules

ATLANTA, GA, December 2, 2014 – Georgia Watch submitted comments to the Department of Defense today in support of new proposed rules to protect service members and their families from predatory lending practices. The new rules update implementation of the Military Lending Act (MLA) to close loopholes predatory lenders have used to prey on members of the armed services.

“Georgia Watch applauds the Department of Defense for issuing strong proposed rules to protect service members and their families from predatory lending practices,” said acting Georgia Watch Executive Director Liz Coyle. “We call on the Department to act quickly to finalize and adopt rules that shield our nation’s active duty men and women from financial risk.”

The Military Lending Act limited annual percentage interest rates on loans made to members of the military to 36%. However, predatory lenders have used loopholes to create new, sky-high interest rate loan products to circumvent the narrow definitions the Department of Defense contained within the original law.

Georgia Watch opposes predatory lending practices and has been a strong advocate of reforms to protect consumers and their families. “While the proposed regulations do not address all opportunities to end predatory lending practices against service members, they are a significant step in the right direction,” Coyle said. “We strongly believe there should be no carve-outs and that any institution choosing to offer a product that qualifies as “consumer credit” under the MLA regulatory definition should be held fully accountable for ensuring compliance with the terms and limitations imposed by the MLA.”

Founded in 2002, Georgia Watch is a statewide consumer advocacy organization working to empower and protect Georgia consumers on matters that impact their wallets and quality of life. Through education, advocacy and policy development, Georgia Watch influences public policies that positively impact consumers, safeguard consumer protections in the areas of personal finance, promote access to safe and affordable healthcare, encourage fair utility rates and renewable energy options, protect the right to trial by jury and promote access to the courts.