



## T H E M I L I T A R Y C O A L I T I O N

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Department of Defense  
Federal Docket Management System Office  
1160 Defense Pentagon  
Washington, DC 20301-1160

Reference: **DOD-2006-0S-0216**

Dear Mr. Beauregard:

The Military Coalition (TMC), a consortium of nationally prominent uniformed services, veteran, family and survivor organizations representing more than 5.5 million current and former members of the seven services, thanks the Department of Defense (DoD) for allowing us to provide comments regarding 32 CFR, 232.3, "Limitations on Terms of Consumer Credit Extended to Service Members and Dependents."

32 CFR, 232.3 has made progress in curbing the harmful affects of payday lenders. However, the regulation fails to cover all predatory lending instruments and loopholes that could result in service members and their families continuing to fall prey to unscrupulous creditors.

The Coalition recommends that the regulation be expanded to cover all credit instruments that target military members. As written, the regulation covers car title loans, payday loans, and refund anticipation loans; however, the CFR needs to include installment and rent-to-own loans – both identified as abusive credit practices described in DoD's own report. Additionally, the CFR should be expanded to include high fee credit cards that incorporate exorbitant processing and initiation fees and open-ended lines of credit such as those outlined in the *Navy Times* (December 31, 2007) article that indicates some predatory lenders are charging as much as 584 percent annual percentage rate (APR) to service members.

Finally the CFR should establish an annual, DoD-led examination of emerging financial predators that target military members and their families where the Department can consult with commanders, supervisors, consumer groups, relief societies, and military groups during the review process.

The Coalition appreciates the efforts of the Department to put an end to unscrupulous credit practices for military members. We hope to continue to work with you on future changes that keep the financial interests of our men and women in uniform and their families in the forefront.

Sincerely,

The Military Coalition  
(Signature Enclosed)

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