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**Carrie R. Hunt**  
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National Association of Federal Credit Unions | [nafcu.org](http://nafcu.org)

September 16, 2016

Diana Banks  
Deputy Assistant Secretary of Defense for Military Education  
Office of the Under Secretary of Defense (Personnel and Readiness)  
Washington, D.C.

RE: Interpretative Guidance and Effective Date

Dear Deputy Assistant Secretary Banks:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to you regarding questions arising out of the guidance issued on August 26, 2016, interpreting the Department of Defense's (DoD or Department) Military Lending Act (MLA) rule. While NAFCU appreciates the Department issuing clarifications, many issues have not been addressed by the guidance. NAFCU and our members have voiced concerns regarding unclear regulatory language on multiple occasions and, given the imminent compliance deadline of October 3, 2016, we believe this uncertainty must be remedied through a formal statement from the Department or an interim final rule with additional guidance. Further, until these lingering questions are resolved, NAFCU requests that the rule's effective date be delayed.

Protecting members of the military and their families from predatory actors by fulfilling the purpose of the MLA is of the utmost importance to credit unions. However, the complexities of the MLA rule as written are staggering and significantly impact our members. As NAFCU has reiterated in our many discussions with Department personnel, credit unions are different than most other types of financial institutions. Credit unions' status as member-owned, not-for-profit cooperatives manifests itself as a duty to provide members with financial products and services that are designed to help each individual member reach their financial goals. Most importantly, the relationship between a credit union and its member is based on disclosure, fairness, and responsible practices. In particular, credit unions have a proven track record of working with active duty members of the armed forces and their families to escape the predatory practices that prompted the passage of the MLA by Congress.

While NAFCU and our members continue to support the objectives of the MLA, the interpretive guidance issued by the Department fell far short of addressing the extensive list of ambiguities laced within the language of the rule. In fact, while credit unions appreciated the clarification that the MLA rule neither prohibits credit unions from exercising statutory lien rights nor prohibits share secured loans, the interpretive guidance raised some additional questions and concerns.

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NAFCU is respectfully requesting to meet with you as soon as possible to further discuss our concerns related to the MLA rule and the Department's interpretive guidance. We appreciate the opportunity to share our thoughts on the MLA interpretive guidance's impact on credit unions. Should you have any questions or if you would like to discuss these issues further, please feel free to contact either myself, Brandy Bruyere, NAFCU's Director of Regulatory Compliance, or Alexander Monterrubio, NAFCU's Director of Regulatory Affairs.

Sincerely,

A handwritten signature in black ink, appearing to read "Carrie Hunt", with a horizontal line extending to the right.

Carrie Hunt  
Executive Vice President of Government Affairs & General Counsel