



DCUC
DEFENSE CREDIT UNION COUNCIL

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Mark E. Easton
Deputy Chief Financial Officer
Office of the Under Secretary of Defense (Comptroller)
1100 Defense Pentagon
Washington, DC 20301-1100

Re: H.R. 5003 - Fair Debt Collection Practices for Servicemembers Act

Dear Mr. Easton:

On behalf of America's 181 Defense Credit Unions and over 23 million members, I am writing regarding H.R. 5003 which has been recently passed in the House Financial Services Committee. The bill is to amend the Fair Debt Collection Practices Act to provide enhanced protection against debt collector harassment of members of the Armed Forces, and for other purposes.

The legislation proposes several additions to the Fair Debt Collection Practices Act. The most troubling addition is language that states a debt collector may not "communicate with any individual above a covered member in the chain of command, including for the purpose of acquiring location information about the covered member."

The fact that military members deploy, can get killed or captured, and that they frequently move without notifying their lending institution can have a detrimental effect over time. For instance, once a member departs and fails to update new address information, the likelihood of missing an installment increases. This leads to eventual default and a bad credit history which will have negative consequences on the member. While Defense Credit Unions do everything possible to avoid this situation, this legislation severely restricts this ability.

This legislation also directly contradicts current DoD Comptroller policy since the Financial Management Regulation (Vol 12, Chapter 33, para 330303 "Central Locator Services") contains specific guidance for military financial institutions on the installation to contact personnel whose whereabouts cannot be locally determined. Once these protections disappear, it becomes increasingly harder for loans to be extended to military members. This makes military life even harder on military families when they should be focused on learning their jobs and accomplishing DoD's mission.

While there has been no prior coordination with the Defense Credit Union Council on this matter, it remains unclear whether the Office of the Under Secretary of Defense (Comptroller) is aware of this legislation or whether the department supports these changes. The Defense Credit Union Council respectfully requests the department's guidance on this legislation so that we may provide appropriate comments before final passage of this legislation.

Our aim is to continue to provide quality financial products and services that meet our member's needs while protecting them from predatory lending practices. On behalf of the Defense Credit Union Council and our 25 million members, thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony R. Hernandez", with a stylized flourish at the end.

Anthony R. Hernandez