

115TH CONGRESS
2D SESSION

S. _____

To amend section 987 of title 10, United States Code, to expand and improve consumer credit protections for members of the Armed Forces and their dependents, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend section 987 of title 10, United States Code, to expand and improve consumer credit protections for members of the Armed Forces and their dependents, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Lending Im-
5 provement Act of 2018”.

1 **SEC. 2. EXPANSION AND IMPROVEMENT OF CONSUMER**
2 **CREDIT PROTECTIONS FOR MEMBERS OF**
3 **THE ARMED FORCES.**

4 (a) **EXTENSION OF APPLICABILITY TO INDIVIDUALS**
5 **RECENTLY DISCHARGED OR RELEASED FROM THE**
6 **ARMED FORCES.**—Paragraph (1) of subsection (i) of sec-
7 tion 987 of title 10, United States Code, is amended to
8 read as follows:

9 “(1) **COVERED MEMBER.**—The term ‘covered
10 member’ means the following:

11 “(A) A member of the armed forces who
12 is—

13 “(i) on active duty under a call or
14 order that does not specify a period of 30
15 days or less; or

16 “(ii) on active Guard and Reserve
17 duty.

18 “(B) An individual who was separated, dis-
19 charged, or released from duty described in
20 subparagraph (A), but only during the 365-day
21 period beginning on the date of separation, dis-
22 charge, or release.”.

23 (b) **DECEASE IN MAXIMUM AUTHORIZED ANNUAL**
24 **PERCENTAGE RATE ON CREDIT.**—

1 (1) DECREASE IN RATE.—Subsection (b) of
2 such section is amended by striking “36 percent”
3 and inserting “24 percent”.

4 (2) EFFECTIVE DATE.—The amendment made
5 by paragraph (1) shall take effect on the date that
6 is 180 days after the date of the enactment of this
7 Act, and shall apply with respect to consumer credit
8 extended on or after such effective date.

9 (c) PROHIBITION ON CREDITOR USE OF AUTO
10 TRACKING OR KILL SWITCHES.—Subsection (e) of such
11 section is amended—

12 (1) in paragraph (6), by striking “or” at the
13 end;

14 (2) in paragraph (7), by striking the period at
15 the end and inserting “; or”; and

16 (3) by adding at the end the following new
17 paragraph:

18 “(8) the creditor demands, as a condition for
19 the credit, the application of—

20 “(A) a device that can locate or adjust the
21 operations of the borrower’s motor vehicle by a
22 third party; or

23 “(B) any other device or instrument that
24 may pose a safety hazard or compromise the
25 borrower’s privacy, as determined by the Sec-

1 retary of Defense, in consultation with the Fed-
2 eral Trade Commission.”.

3 (d) EXTENSION OF COVERAGE TO CREDIT FOR CARS
4 AND OTHER PERSONAL PROPERTY.—

5 (1) COVERAGE.—Subsection (i)(6) of such sec-
6 tion is amended by striking “(A) a residential mort-
7 gage” and all that follows and inserting “a residen-
8 tial mortgage.”.

9 (2) EFFECTIVE DATE.—The amendment made
10 by paragraph (1) shall take effect on the date that
11 is 180 days after the date of the enactment of this
12 Act, and shall apply with respect to consumer credit
13 extended on or after such effective date.

14 (e) REGULATIONS.—The Secretary of Defense shall
15 modify the regulations prescribed to carry out section 987
16 of title 10, United States Code, to take into account the
17 amendments made by subsections (a) through (d) by not
18 later than 180 days after the date of the enactment of
19 this Act.

20 **SEC. 3. ENHANCED PROTECTION AGAINST DEBT COL-**
21 **LECTOR HARASSMENT OF MEMBERS OF THE**
22 **ARMED FORCES.**

23 (a) COMMUNICATION IN CONNECTION WITH DEBT
24 COLLECTION.—Section 805 of the Fair Debt Collection

1 Practices Act (15 U.S.C. 1692c) is amended by adding
2 at the end the following:

3 “(e) COMMUNICATIONS CONCERNING SERVICEMEM-
4 BER DEBTS.—

5 “(1) DEFINITION.—In this subsection, the term
6 ‘covered member’ has the meaning given the term in
7 section 987(i) of title 10, United States Code.

8 “(2) PROHIBITION.—A debt collector may not
9 communicate, in connection with the collection of
10 any debt, with the commanding officer or officer in
11 charge of any covered member, including for the
12 purpose of acquiring location information about the
13 covered member.”.

14 (b) FALSE OR MISLEADING REPRESENTATIONS.—
15 Section 807 of the Fair Debt Collection Practices Act (15
16 U.S.C. 1692e) is amended by adding at the end the fol-
17 lowing:

18 “(17) The false representation to any covered
19 member, as defined in section 987(i) of title 10,
20 United States Code, that failure to cooperate with a
21 debt collection will result in prosecution under chap-
22 ter 47 of title 10, United States Code (the Uniform
23 Code of Military Justice).”.

1 **SEC. 4. DATA PROTECTION STANDARDS FOR CREDIT RE-**
2 **PORTING AGENCIES THAT USE DEPARTMENT**
3 **OF DEFENSE PERSONNEL DATA.**

4 (a) DETERMINATION ON ADEQUACY OF DATA PRO-
5 TECTION STANDARDS.—Not later than one year after the
6 date of the enactment of this Act, the Secretary of Defense
7 shall, in consultation with the Federal Trade Commission,
8 determine whether or not each entity that downloads Mili-
9 tary Lender Act bulk data from the Defense Manpower
10 Data Center uses adequate safeguards to protect the
11 downloaded data against breach or other potential misuse.
12 The Secretary shall make the determination using a study
13 of the practices of such entities conducted by the Secretary
14 for purposes of this subsection.

15 (b) TERMINATION OF ACCESS TO BULK DATA.—If
16 pursuant to subsection (a), the Secretary determines that
17 the safeguards of an entity described in that subsection
18 are not adequate as described in that subsection, the Sec-
19 retary shall terminate the access of the entity to bulk data
20 described in that subsection by not later than 30 days
21 after the date of the determination.

22 (c) RESTORATION OF ACCESS TO BULK DATA.—If
23 access of an entity to bulk data is terminated pursuant
24 to subsection (b), the Secretary may subsequently restore
25 access of the entity to bulk data if the Secretary deter-
26 mines that the entity has taken remedial measures to en-

- 1 sure that any data downloaded from such bulk data is ade-
- 2 quately protected against breach or other potential misuse.