

A woman in a military uniform is standing next to an ATM. She is looking at the machine with a slight smile. The background shows a typical indoor setting, possibly a bank or a service center.

Protecting The People Who Protect Us

The CFPB defends servicemembers
against unfair financial practices

Photo Credit: US Navy

Payday and other lenders have been known to line up shops outside military bases like “bears at a trout stream.”

Servicemembers and Veterans Need Strong Financial Protection

Servicemembers and veterans are particularly vulnerable to deceptive and dishonest practices from credit card companies, debt collectors, mortgage companies and more.

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- **Many servicemembers are young and managing their finances for the first time**, living stressful lives involving deployment and frequent relocation. They are also concentrated on military bases, making predation easier.
- Once servicemembers finish their active duty role, they can continue to be targeted as veterans. **Veterans may be specifically targeted because they have a guaranteed income, and may have issues with physical or mental health.** Veterans have also been targeted with deceptive advertising for services like mortgage refinancing and for-profit colleges.

The CFPB Protects Servicemembers from Unfair Practices in the Financial Marketplace

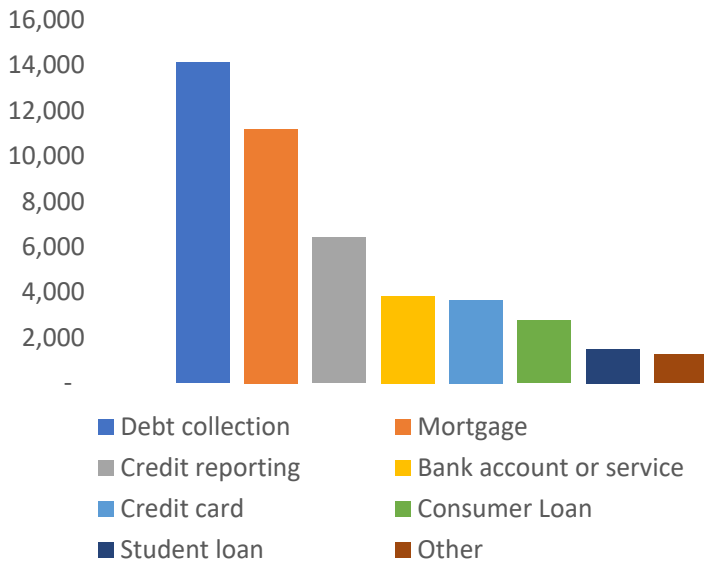
Since its creation in the wake of the 2008 financial crisis, the Consumer Financial Protection Bureau has delivered on its stated mission to “**protect consumers from unfair, deceptive, or abusive practices** and take action against companies that break the law.”

The agency has a dedicated Office of Servicemember Affairs to protect those who serve our country. The CFPB has taken at least 12 enforcement actions with specific benefits to servicemembers. For example:

- In July, 2015, the CFPB took an action against an Ohio auto lender specializing in loans to servicemembers for illegal harassment of customers. **The lender was forced to return \$2.28 million to servicemembers and other consumers** and to pay a penalty of \$1 million. In April, 2017, the CFPB forced the company to pay an additional \$1.25 million after it issued worthless credits instead of making actual payments in the original order.
- In 2016, the CFPB ordered Navy Federal Credit Union to pay its customers **\$23 million for improper debt collection practices.** The agency had found that the credit union had deceived its customers, and in some cases, had threatened to illegally contact servicemembers’ commanding officers about their debt.

1. Rick Hampson, “Holly Petraeus Makes Her Own Mark on the Military,” *USA Today*, 19 March 2012.

Servicemember and Veteran Complaints through April 2017



Complaints to the CFPB Detail Mistreatment of Servicemembers by Financial Companies

Through April, 2017, more than 40,000 servicemember complaints had been submitted to the CFPB. These **complaints detail problems like debt collectors improperly contacting commanding officers, payment processing errors that lead to exorbitant fees, deceptive mortgage advertisements, and more.**

Narratives that accompany complaints illustrate how **poor treatment by financial companies can be amplified by the challenges of deployment.**

One servicemember wrote that while “living near a local village [without] regular access to mail, internet or phone, I received a letter from my auto loan holder... that I missed a payment” – despite having set the account up for automatic payments. A company representative told the servicemember the missed payment was due to a processing error, yet, “a month later I checked my credit report and it was reported to the credit agencies.” The servicemember writes that when he or she called to remove the incorrect credit item, the request was denied. Ultimately, the servicemember felt forced to pay “off my loan in full that day because they couldn’t process my payments correctly.”

Weakening the CFPB Would Harm Servicemembers

The CFPB is an invaluable tool for servicemembers, veterans and their families. It not only provides restitution for servicemembers who have been wronged, the CFPB is also helping to create a fairer, more functional financial system.

Because of CFPB action in response to complaints, at least 7,000 servicemembers have received either direct monetary relief, or other kinds of relief like stopping debt collection harassment or providing mortgage options to let a servicemember avoid foreclosure.

Weakening or eliminating the CFPB would create new risks for those who serve our military. Doing so could cause servicemembers financial harm, and make them more vulnerable to wrongdoing companies.

If You Are, or Know, a Servicemember or Veteran

- **To file a complaint with the CFPB:** visit consumerfinance.gov/complaint or call (855) 411-CFPB. The CFPB sends submitted complaints to companies for a response, and allows consumers to receive status updates both through the CFPB website and a toll-free number.
- **To learn more about CFPB resources for servicemembers:** visit the Office of Servicemember Affairs at consumerfinance.gov/servicemembers. This site offers resources for servicemembers and veterans, including advice on financial decisions, and financial coaching for transitioning veterans.

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www.uspirgedfund.org