

Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552



January 17, 2019

The Honorable Michael Pence
Vice President of the United States
President of the United States Senate
S-212, The Capitol
Washington, D.C. 20510

Dear Vice President Pence:

Enclosed please find a draft legislative proposal for consideration by the Congress. This legislative proposal would clarify the Bureau of Consumer Financial Protection's authority to supervise for compliance with the Military Lending Act. In accordance with Section 1012(c)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, please note that this legislative proposal does not necessarily reflect the views of the President or the Board of Governors of the Federal Reserve System.

Should you have any questions about this transmittal, do not hesitate to contact me, or have your staff contact Catherine Galicia in the Bureau's Office of Legislative Affairs. Ms. Galicia can be reached at 202-435-9711.

Sincerely,

Kathleen L. Kraninger
Director

Enclosure

consumerfinance.gov

**Consumer Financial Protection Bureau Proposed Amendment
to the Consumer Financial Protection Act to Clarify Bureau Authority to
Exercise Its Supervisory Authority to Assess Compliance
with the Military Lending Act**

SECTION 1. SHORT TITLE.

This Act may be cited as the “_____”.

**SEC. 2. BUREAU SUPERVISORY AUTHORITY WITH RESPECT TO MILITARY
LENDING ACT COMPLIANCE.**

The Consumer Financial Protection Act of 2010 is amended—

(a) in section 1024 (12 U.S.C. 5514)—

- (1) in paragraph (b)(2), by inserting “and subsection (g)” after “exercise its authority under paragraph (1)”;
- (2) in paragraph (d), by inserting “subsection (g) and” after “and except as provided in”;
- (3) after subsection (f), by inserting subsection (g), as follows: “(g) Supervision with respect to Military Lending Act compliance.-- Notwithstanding any other provision of law, the Bureau shall have nonexclusive authority to require reports and conduct examinations on a periodic basis of persons described in subsection (a)(1) for purposes of --
 - (1) assessing compliance with the requirements of section 987 of title 10, United States Code;
 - (2) obtaining information about the activities and compliance systems or procedures of such person; and
 - (3) detecting and assessing risks to consumers and to markets for consumer financial products and services.”;

(b) in section 1025 (12 U.S.C. 5515)—

- (1) in paragraph (b)(4), by inserting “or subsection (f)” after “paragraph (1)”;
- (2) after subsection (e), by inserting subsection (f), as follows: “(f) Supervision with respect to Military Lending Act compliance. -- Notwithstanding any other provision of law, the Bureau shall have nonexclusive authority to require reports and conduct examinations on a periodic basis of persons described in subsection (a) for purposes of --

(1) assessing compliance with the requirements of section 987 of title 10, United States Code;

(2) obtaining information about the activities subject to such law and the associated compliance systems or procedures of such persons; and

(3) detecting and assessing associated risks to consumers and to markets for consumer financial products and services.”

(c) in section 1026 (12 U.S.C. 5516)—

(1) in paragraph (c)(1), by inserting “and section 987 of title 10, United States Code” after “Federal consumer financial law”; and

(2) in paragraph (d)(2)(A), by inserting “or section 987 of title 10, United States Code” after “Federal consumer financial law”.