AMENDMENT TO H.R. 4435, AS REPORTED
OFFERED BY MR. KILDEE OF MICHIGAN

At the end of subtitle E of title V, add the following new section:

SEC. 548. TRANSPARENCY IN LENDING TO MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.

(a) TRANSPARENCY AND DISCLOSURES.—Section 987(c) of title 10, United States Code, is amended by adding at the end the following new section:

“(3) ADDITIONAL DISCLOSURES.—

“(A) IN GENERAL.—With respect to any extension of consumer credit described under paragraph (1), a creditor shall provide to the member or dependent each of the following pieces of information, orally and in writing, and the creditor may not issue the credit unless the member or dependent signs a separate acknowledgment next to each piece of information acknowledging that the member or dependent has read each such piece:
“(i) A statement that the Department of Defense and each service branch, offers a variety of financial counseling services.

“(ii) A statement that other, lower interest rate loans, including potentially 0 percent interest loans, may be available through other financial institutions, and military relief societies.

“(iii) Contact information for the nearest Department of Defense financial counseling office.

“(iv) The actual cost of the extension of credit, prepared as an amortization table showing what the cost to the member or dependent will be if paid off at different points over time.

“(B) FORMAT OF DISCLOSURES.—The disclosures required under this paragraph shall be made on single sheet of paper and be in a bold, 14-point font.

“(C) LIST OF FINANCIAL COUNSELING OFFICES.—The Secretary of Defense shall prepare a list of Department of Defense financial counseling offices, and make sure list available to creditors and the public.”.
(b) Transparency for Payday Loans and Vehicle Loans.—Solely for purposes of the disclosures required under section 987(c)(3) of title 10, United States Code, the Secretary of Defense shall apply the definitions of “payday loans” and “vehicle title loans” under section 232.3 of title 32, Code of Federal Regulations, as providing that the terms of such loans are 10 years or less.