

**AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 4310
OFFERED BY MS. TSONGAS OF MASSACHUSETTS,
MR. MARKEY OF MASSACHUSETTS, AND MR.
ANDREWS OF NEW JERSEY**

At the end of title V, insert the following section
(and conform the table of contents accordingly):

1 **SEC. 596. CONSUMER FINANCIAL PRODUCTS PILOT PRO-**
2 **GRAM.**

3 (a) IN GENERAL.—The Undersecretary of Defense
4 (Comptroller) may carry out a 5-year pilot program to de-
5 velop innovative consumer financial products that encour-
6 age savings and wealth-creation among active-duty
7 servicemembers.

8 (b) OBJECTIVES.—Financial products developed
9 under this section may seek to—

10 (1) increase the rate of savings among active-
11 duty servicemembers by providing automatic deposit
12 into a savings account of special pay and allowances
13 received by a servicemember, including special pay
14 and allowances received on account of the
15 servicemember's deployment;

1 (2) reduce the need for high-cost short-term
2 lending services by providing alternatives to
3 servicemembers, such as financial institutions pro-
4 viding an option for servicemembers to receive ad-
5 vances on their salary payments, such that
6 servicemembers receive pay in more frequent install-
7 ments, and where any interest or fees on such ad-
8 vances shall not exceed the rate described in section
9 987(b) of title 10, United States Code and shall ad-
10 here to the Affordable Small Dollar Lending Guide-
11 lines of the Federal Deposit Insurance Corporation;

12 (3) address obstacles to traditional consumer
13 banking and lending for servicemembers with limited
14 credit history; and

15 (4) otherwise encourage savings and wealth-cre-
16 ation among active-duty servicemembers.

17 (c) NO EXACERBATION OF CREDIT OVEREXTEN-
18 SION.—The pilot program carried out under this section
19 shall be carried out in such a way that it does not exacer-
20 bate the incidence of credit overextension among
21 servicemembers.

22 (d) INCORPORATION INTO OPERATING AGREE-
23 MENTS.—With respect to a military installation on which
24 the pilot program is being carried out, a financial institu-
25 tion seeking to begin operating on such installation, or

1 seeking to renew an agreement to operate on such installa-
2 tion, shall agree to offer the consumer financial products
3 developed under this section.

4 (e) CONSULTATION.—In developing consumer finan-
5 cial products under this section, the Undersecretary shall
6 consult with Federal banking regulators with expertise in
7 depository institutions, Federal agencies with experience
8 regulating financial products, and consumer and military
9 service organizations with relevant financial expertise.

10 (f) REPORT.—Not later than the end of the 2-year
11 period beginning on the date of the enactment of this Act,
12 and annually thereafter until the end of the 5-year period
13 described under subsection (a), the Undersecretary shall
14 issue a report to the Committees on Armed Services and
15 Financial Services of the House of Representatives and
16 the Committees on Armed Services and Banking, Hous-
17 ing, and Urban Affairs of the Senate on the degree to
18 which the pilot program succeeded in the goals of increas-
19 ing usage of savings products, programs, and tools.

20 (g) FINANCIAL INSTITUTION DEFINED.—For pur-
21 poses of this section, the term “financial institution”
22 means an insured depository institution (as defined under
23 section 3(c)(2) of the Federal Deposit Insurance Act (12
24 U.S.C. 1813(c)(2))) or a credit union.

