

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3691

To amend title 10, United States Code, to require additional disclosures when lending to military members and their dependents, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2013

Mr. KILDEE introduced the following bill; which was referred to the  
Committee on Armed Services

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## A BILL

To amend title 10, United States Code, to require additional disclosures when lending to military members 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 “Transparency in Mili-  
5 tary Lending Act of 2013”.

1 **SEC. 2. TRANSPARENCY IN LENDING TO MILITARY MEM-**  
2 **BERS AND THEIR DEPENDENTS.**

3 (a) **TRANSPARENCY AND DISCLOSURES.**—Section  
4 987(c) of title 10, United States Code, is amended by add-  
5 ing at the end the following:

6 “(3) **ADDITIONAL DISCLOSURES.**—

7 “(A) **IN GENERAL.**—With respect to any  
8 extension of consumer credit described under  
9 paragraph (1), a creditor shall provide to the  
10 member or dependent each of the following  
11 pieces of information, orally and in writing, and  
12 the creditor may not issue the credit unless the  
13 member or dependent signs a separate acknowl-  
14 edgment next to each piece of information ac-  
15 knowledging that the member or dependent has  
16 read each such piece:

17 “(i) A statement that the Department  
18 of Defense and each service branch, offers  
19 a variety of financial counseling services.

20 “(ii) A statement that other, lower in-  
21 terest rate loans, including potentially 0  
22 percent interest loans, may be available  
23 through other financial institutions and  
24 military relief societies.

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

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

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

13          “(C) LIST OF FINANCIAL COUNSELING OF-  
14          FICES.—The Secretary of Defense shall prepare  
15          a list of Department of Defense financial coun-  
16          seling offices, and make sure the list is avail-  
17          able to creditors and the public.”.

18          (b) TRANSPARENCY FOR PAYDAY LOANS AND VEHI-  
19          CLE LOANS.—Solely for purposes of the disclosures re-  
20          quired under section 987(c)(3) of title 10, United States  
21          Code, the Secretary of Defense shall apply the definitions  
22          of “payday loans” and “vehicle title loans” under section  
23          232.3 of title 32, Code of Federal Regulations, as pro-  
24          viding that the terms of such loans are 10 years or less.

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