

January 4, 2021

Director Kathleen Kraninger  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Re: Role of Supervisory Guidance, Docket No. CFPB-2020-0033 or RIN 3170-AB02

Dear Director Kraninger:

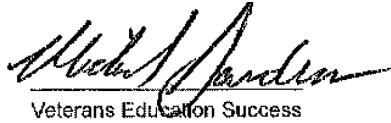
Veterans Education Success was heartened to see that the Consumer Financial Protection Bureau (CFPB) filed a lawsuit against LendUp, LLC, accusing it of [violating the Military Lending Act \(MLA\) since 2016](#).

In order to stop future MLA violations, it is important that CFPB resume supervisory examinations of payday lenders for compliance with MLA, which CFPB ceased in August of 2018. Broad bipartisan support led to the enactment of the MLA because Congress recognized that service members and their families suffer harm when predatory lenders target them with financial fraud and extremely high interest rates. As you know, maps of the location of payday lenders have shown they surround military bases and target our military. The harm also extends to the Pentagon's costs and military readiness, because "each separation of a servicemember is estimated to cost the Department \$58,250, and the Department estimates that each year approximately 4,640 to 7,580 servicemembers are involuntarily separated where financial distress is a contributing factor." 80 FR 43559 (July 22, 2015).

We are concerned about the proposed rule regarding the role of supervisory guidance. This Notice of Proposed Rulemaking (NPR) seeks to rein in the limited supervisory examinations that it still does conduct. The NPR is based off of a [2018 Statement](#), which (1) limits the use of numerical thresholds in guidance; (2) reduces the issuance of multiple supervisory guidance on the same topic; (3) continues efforts to make the role of supervisory guidance clear in communications to examiners and financial supervised institutions; and (4) encourages supervised institutions to discuss their concerns about supervisory guidance with their appropriate agency contact.

Veterans Education Success is concerned by this seeming last-minute attempt to bind the hands of the next Administration. We urge strong supervisory examinations for compliance with the MLA and all other applicable laws.

Sincerely,



Veterans Education Success

Mike Saunders  
Director of Military & Consumer Policy  
Veterans Education Success