



# FLORIDA OFFICE OF FINANCIAL REGULATION

www.FLOFR.com

**DREW J. BREAKSPEAR**  
COMMISSIONER

## For Immediate Release

Monday, April 4, 2016

### Media Contacts:

[Jamie Mongiovi](mailto:jamie.mongiovi@flofr.com) (850) 410-9709

[Katie Norris](mailto:katie.norris@flofr.com) (850) 410-9826

Twitter: [@FIFinancialReg](https://twitter.com/FIFinancialReg)

## **Industry Alert: Federal Military Lending Act Compliance**

**Tallahassee, Fla.** – The 2016 Florida Legislature passed [Senate Bill 626](#) relating to Consumer Credit. The new law, which will take effect on October 3, 2016, allows the [Florida Office of Financial Regulation \(OFR\)](#) to use its supervisory powers to enforce provisions of the [Federal Military Lending Act \(MLA\)](#).

The OFR reminds all lenders in Florida to take steps to ensure compliance with the MLA. Office of Financial Regulation licensees should review their lending application process to ensure they are requesting the appropriate information from borrowers in order to identify if the [borrower is covered](#) by the MLA. Businesses and individuals must comply with both state and federal laws. The OFR will be adding a component to its examinations to review for MLA compliance.

### **About the Federal Military Lending Act**

Enacted in 2007, the MLA provides covered borrowers with additional protections with regard to consumer credit products. The MLA specifically applies to payday loans, vehicle title loans, refund anticipation loans, deposit advance loans, installment loans, unsecured open-end lines of credit and credit cards. Financial protections contained in the MLA include:

- Interest rates are required to be capped at 36 percent on certain types of consumer finance loans.
- Certain disclosures regarding the annual percentage rate (APR) and payment obligation are also required.
- Rollovers, renewals or refinance of deferred presentment transactions are prohibited by creditors other than financial institutions.
- Military service members are prohibited from waiving their rights under the Servicemembers Civil Relief Act.
- Creditors may not require that service members submit to mandatory arbitration.
- Use of a check or other methods to access a financial account is prohibited, with limited exceptions.
- A title of a vehicle as security for an obligation may not be used.

- Providing a payroll allotment as a condition of obtaining credit is prohibited.
- Prepayment penalties are prohibited.

If you have questions or would like more information, please contact the OFR Customer Service Help Line at (850) 487-9687.

# # #

*The Florida Office of Financial Regulation provides regulatory oversight for Florida's financial services providers. Our mission is to protect Floridians, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.*

[OFR Website](#) | [Press Releases](#) | [Follow Us @FIFinancialReg](#)