

Senator Patty Murray
Senate Committee on Veterans' Affairs
Statement
June 29, 2015
(4 minutes)

Mr. Chairman, thank you for holding this hearing on some important pieces of legislation.

It's not on the agenda today but I want to take a moment to talk about my SCRA Enhancement and Improvement Act of 2016, which I believe is so important to upholding our country's commitment to military families.

Part of that is making sure servicemembers have important legal protections so they can focus on their mission. These protections also recognize that while they are deployed or away from home servicemembers often do not have the resources to respond to a range of financial and legal issues.

Despite these protections, I've been disappointed to learn that servicemembers continue to be subjected to predatory practices and unfair treatment on their student loans, on their mortgages, and on their credit cards.

That's so wrong.

And that is why I introduced the SCRA Enhancement and Improvement Act, which will help put an end to many of these predatory practices and give servicemembers and our agencies the tools they need to fight back when banks and student loan servicers deny servicemembers their rights.

My bill will:

- **Require automatic application of the interest rate cap, timely responses to all inquiries, retention of communications with servicemembers, and a full explanation of any denial of an SCRA protection.**
- **It will require student loan servicers to have a designated service representative or point of contact for servicemembers and ensure these individuals are properly trained.**
- **It will reduce the interest rate cap to provide meaningful protection to servicemembers, including a zero percent cap for servicemembers eligible for hostile fire or imminent danger pay.**
- **It will mandate that sufficient notice is given when a loan is transferred or sold, and that all benefits or protections seamlessly transfer to the new loan servicer.**
- **And it will forgive all federal and private student loan debt in the event the servicemember dies in the line of duty.**

The SCRA Enhancement and Improvement Act also expands protections beyond student loans.

I was concerned when several years ago some of the nation's largest mortgage servicers improperly overcharged and

foreclosed upon thousands of deployed servicemembers, in violation of the current law.

To address those problems, and in addition to the interest rate cap, the bill would expand the interest rate protection to all of a servicemember's debt, regardless of when it was incurred, in order to cover consolidation loans and in recognition that the same challenges exist for military borrowers regardless of when a debt was first incurred.

My bill will also give servicemembers and our agencies the legal and oversight tools they need to hold entities accountable, including giving the Attorney General greater authority for investigations and enforcement of the SCRA and doubling the fines against bad actors.

Like everyone here I believe protecting our military men and women from predatory practices is an absolutely essential commitment.

We will not allow our servicemembers to be taken advantage of.

Many of these provisions have been considered by this Committee over the past few years, and much of it is derived from requests by the Department of Justice for the tools it needs to protect servicemembers.

So I look forward to working with you Mr. Chairman, and my colleagues to advance this important bill.