



News

Dustin Alonzo Analyzes in ARM Compliance Digest: CFPB to Restart Examinations Related to Military Lending

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In the June 28, 2021 edition of the *ARM Compliance Digest*, Hinshaw attorney Dustin Alonzo reviews a recent Consumer Financial Protection Bureau (CFPB) interpretive rule that reverses a policy decision put in place under the Bureau's former leadership that will restart examinations in order to enforce the Military Lending Act:

The CFPB's Interpretative Rule shows once again that the Biden Administration's CFPB will take a more aggressive supervisory position than we have seen over the past four years. That said, the CFPB's continued scrutiny of the treatment of servicemembers by financial services companies should not come as a surprise, particularly given its recent consent order and settlement with two lenders in December 2020 and January 2021. What remains to be seen is how the CFPB will handle the Department of Defense's (DoD) February 2020 rescission of the infamous QA2 to its Interpretative Rule for the MLA, which previously specified that purchase money vehicle loans are not exempt from the MLA if they finance any credit product such as GAP. We hope the CFPB's new leadership takes a position consistent with the DoD, so servicemembers continue to have access to these beneficial products. Otherwise, a narrow interpretation of this exclusion by the CFPB during its reinstated MLA exams could create problems for not only auto finance companies and debt collectors, but also our military members.

[Read the full June 28, 2021 edition of the *AccountsRecovery.net Compliance Digest*.](#)

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