

Military Lending Act Rule Checklist September 2016

The Military Lending Act's mandatory effective date is October 3, 2016. Are you ready? Recognizing that neither the regulation nor the Department of Defense's (DoD) August 2016 Interpretive Rule are clear in some areas, below are some last minute checklist questions to consider:

1. Have you identified "covered loans" that your bank offers, including overdraft lines of credit and "lot" loans (i.e., consumer purpose loans secured by real estate with no dwelling)?
2. If you charge fees for any covered loans, have you determined how to calculate the MAPR for those loans, including the periodic calculation required for open-end loans?
3. How will you handle instances where the MAPR exceeds the 36% MAPR cap for covered borrowers? (Waive the fee, waive any amount exceeding the 36% MAPR, or deny the loan.)
4. Have you reviewed the regulation's vehicle purchase loan exemption and considered whether to treat as covered or exempt car loans that are used not just to finance the purchase of the car, but other related products such as car warranty extensions and credit insurance?
5. Do you make purchase money car loans for private purchases? Have you considered how you will treat car loans of amounts greater than the purchase price of the vehicle securing the loan?
6. Have you considered whether you will continue to offer covered borrowers loans secured by a bank account?
7. Do you have systems in place to provide the oral disclosures which must be provided in person or through an 800 number – but not otherwise by phone?

See [ABA September 2016 MLA Highlights](#) 📄 for more information about these questions and [ABA's MLA Rule Staff Analysis](#) 📄 and [Interpretive Rule Analysis](#) 📄.

Questions? Contact ABA's [Nessa Feddis](#) or [Rob Rowe](#) for more information.

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