

SCRA ENHANCEMENT AND IMPROVEMENT ACT OF 2016

When our nation's servicemembers are called to active duty, the last thing they should have to worry about is whether they will receive fair treatment under the law on their student loans, mortgages, credit cards, and contracts. Unfortunately, the protections of Servicemembers Civil Relief Act (SCRA) have not been fully honored and this landmark law needs to be strengthened to reflect ongoing challenges that servicemembers and their families face.

Most notably, student loan servicers have overcharged military borrowers on their student loan interest rates when they were called to active duty, and they have subjected servicemembers to unnecessary delays, misinformation, and red tape.

Tragically, this scandal is only the latest in a series of abuses of servicemembers that also includes banks illegally overcharging and foreclosing upon those who are deployed. Such predatory practices and unfair treatment of servicemembers are simply unacceptable.

The **SCRA Enhancement and Improvement Act of 2016** will protect our servicemembers and:

- End the abusive practices of student loan servicers by requiring 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.
- Require student loan servicers to have a designated service representative or point of contact for servicemembers and ensure these individuals are properly trained.
- Reduce the interest rate cap to three percent to provide meaningful protection to servicemembers, including a zero percent cap for servicemembers eligible for hostile fire or imminent danger pay.
- 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.
- Forgive all federal and private student loan debt in the event the servicemember dies in the line of duty.
- Expand SCRA interest rate protection to all debt regardless of when incurred, in order to cover consolidation loans and in recognition that the same challenges exist for borrowers regardless of when a debt was first incurred.
- Clarify that servicemembers may bring a private right of action to enforce their rights and enhance the legal and oversight tools of the U.S. Department of Justice and the Consumer Financial Protection Bureau.
- Double fines for parties found violating the protections afforded by the SCRA.
- Expand certain protections on mortgages, leases, and cable and internet contracts.