



BURR ALERT

Military Lending Act Compliance

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On October 3, 2017, the Department of Defense's revised Military Lending Act ("MLA") regulations will apply to consumer credit card accounts. These regulations require significant changes and will alter the landscape of how cards are marketed and offered.

Credit card issuers may no longer rely on the customer's representations as to covered status. Creditors must develop MAPR calculators, which take into account the complex bona fide fee rules and monitor limits each billing cycle. They must monitor new account holders to determine whether they have become covered servicemembers or dependents of covered servicemembers. They must work with their retail partners if they offer cards at point of sale to ensure the appropriate oral and written disclosures are made and documented. The consequences of non-compliance are severe: the debt is considered void at inception; there are civil and criminal penalties; and there is significant reputational risk.

We are here to help!

This is an opportunity to tailor products specifically to the needs of military families while streamlining compliance operations.

We provide a wide range of legal and operational compliance services tailored to the needs of your business. We assist with training and operations-level compliance as well as formal legal compliance advisement. We help creditors integrate compliance into their corporate culture in a way that increases the buy-in from employees and executives.

Our services include but are not limited to:

- **Operational Implementation Review**
Review of the process design (to include process efficiency, centralization, document retention, quality control and assurance, etc.)
- **Policy & Procedure Review and Recommendations**
Review of the written P&P to ensure it is sufficient to pass regulatory audit muster.
- **"But what if...?" and other ad hoc compliance advisement**
- **Retail Partner Due Diligence and Contract Evaluation**
- **Training for Employees or Retail Partners**
- **Disclosure Review and Recommendations**
- **Global Compliance Strategy Evaluation and Design**
- **Product Evaluation**

If you would like more information, please contact:

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or the Burr & Forman attorney with whom you regularly work.