

# United States Senate

WASHINGTON, DC 20510

August 5, 2014

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, D.C. 20552

The Honorable Charles T. Hagel  
Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301-1000

Dear Director Cordray and Secretary Hagel,

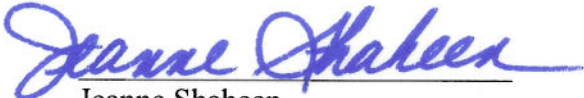
We write to call your attention to a recent report that certain retailers have undertaken aggressive debt collection actions against active duty servicemembers without affording them, arguably, a real opportunity to defend themselves. We urge you to investigate these claims, educate our servicemembers about these practices and look into potential actions we can take to ensure that active duty servicemembers are able to defend themselves.

The Servicemember Civil Relief Act (SCRA) protects the legal interests of our servicemembers who often face unique financial circumstances as a result of their deployment or service to our nation. SCRA allows servicemembers to devote their full attention to protecting our country and seeks to prevent unscrupulous actors from taking advantage of financial challenges that may result from a deployment.


A recent report from *ProPublica* and the *Washington Post* alleges that certain retailers may have violated the spirit of this law. According to the report, these retailers seemingly included a provision in the fine print of their contracts that allows the retailers to bring suit against servicemembers in certain jurisdictions in the Commonwealth of Virginia, even though they may not be based there or, in fact, ever have been based there. Since many active duty servicemembers are often transferred out-of-state – or even out-of-country – it is more difficult for them to defend themselves. As a result, the retailers are alleged to have used these cases to force involuntary garnishment of servicemembers' wages while they are serving our country. The report also calls into question the adequacy of the defense provided by the courts in these instances.

We urge you to fully investigate these claims and educate our servicemembers about their rights and the debt collection practices used by these retailers. In addition, we encourage you to determine whether there are any actions we can take to ensure due process for our servicemembers, especially the practice of including contractual provisions that may limit servicemembers' ability to defend themselves while they are on active duty.


Thank you for your attention to this matter.



Jeanne Shaheen  
United States Senator



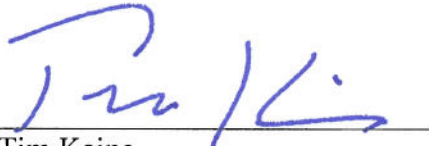
Jack Reed  
United States Senator



Richard Blumenthal  
United States Senator



Mark R. Warner  
United States Senator



Tim Kaine  
United States Senator