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9 February 2018

Honorable Joseph M. Otting
Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

Dear Mr. Otting,

I am writing today on behalf of the member banks of the Association of Military Banks of America to ask for your assistance in restoring our ability to offer small dollar loans to our military customers.

As you are no doubt aware, the ability to secure small dollar loans is critical to the financial well-being of millions of Americans who often need to bridge gaps between paychecks. Military members – particularly, our more junior members – are prominent members of this group.

Until the Department of Defense's recent Military Lending Act (MLA) regulations required that all fees must be included in calculating the maximum 36% Military Annual Percentage Rate applicable to all loans to active duty military members and their dependents, some of our banks were able to lend these customers as little as \$250. Today, given the increased underwriting and compliance costs also driven by the DoD's new MLA rules, the minimum amount some of those banks are able to lend these "covered borrowers" is \$1,250. For young military personnel trying to escape from deep debt, larger minimum loan amounts will simply force them to dig that hole even deeper or will encourage them to look to less responsible sources of credit – exactly the outcomes the MLA was originally intended to prevent.

Because I understand small dollar lending will be one of your initial priorities as the Comptroller of the Currency, my purpose today is simply to highlight the particular need for small dollar loans in the military community and the adverse impact the MLA regulations have had on the availability of such loans. I encourage you to make military small dollar lending one of the focuses of your efforts and I offer AMBA's support as you move forward.

There are no better financial resources available to military communities than the military banks that, for many decades, have provided responsible and regulated financial support, services, and education to millions of service members and their families. We hope you will help us continue that proud tradition.

Sincerely,

STEVEN J. LEPPER
Major General, USAF (Ret.)
President & CEO