

RESCINDED

OCC BULLETIN 2016-33

Subject: Military Lending Act
Date: October 7, 2016

**To: Chief Executive Officers and Compliance
Officers of National Banks, Federal Savings
Associations, Federal Branches and Agencies,
Department and Division Heads, All Examining
Personnel, and Other Interested Parties**

**Description: Revised Interagency Examination Procedures Regarding Limitations on Terms of
Consumer Credit Extended to Service Members and Dependents**

Replaced-See OCC 2018-11

Summary

The Federal Financial Institutions Examination Council's (FFIEC) Task Force on Consumer Compliance recently revised the interagency examination procedures for the Military Lending Act (MLA) of 2006, as implemented by 32 CFR 232, "Limitations on Terms of Consumer Credit Extended to Service Members and Dependents."

The revised interagency examination procedures reflect U.S. Department of Defense (DoD) amendments to 32 CFR 232 as published in the *Federal Register* on July 22, 2015,¹ and the DoD August 26, 2016 interpretive rule.²

This Office of the Comptroller of the Currency (OCC) bulletin publishes on the OCC's website the revised interagency examination procedures for DoD's amended requirements in 32 CFR 232, for which the compliance date is October 3, 2016 (with a later compliance date for credit card accounts).³

OCC examiners will use these revised examination procedures for examinations relating to MLA compliance that begin on or after October 3, 2016. Supervisory activities will focus first on evaluating a bank's compliance management system and overall efforts to come into compliance, recognizing the scope and scale of changes necessary for each bank to achieve effective compliance. In addition, the OCC is incorporating the revised procedures into the OCC's *Comptroller's Handbook*. When published, the *Comptroller's Handbook* guidance will supplement the interagency procedures.

Note for Community Banks

Beginning October 3, 2016, these procedures will apply to examinations of all national banks and federal savings associations that offer consumer credit products covered by the MLA and 32 CFR 232.

Highlights

- The FFIEC task force developed the revised examination procedures to promote interagency consistency in the examination process and communication of supervisory expectations.
- The revised interagency examination procedures reflect
 - the expansion of MLA protections to a broader range of consumer credit products.
 - rules for determining the fees and charges included within the calculation of the Military Annual Percentage Rate (MAPR) and for calculating the MAPR.
 - the optional safe harbor available to creditors for identifying covered service members and dependents (covered borrowers).

- disclosures creditors are required to provide to covered borrowers.
 - limitations on consumer credit extended to covered borrowers.
- These amended regulatory requirements go into effect on October 3, 2016 for consumer credit products other than credit cards.
- The requirements relating to computation of the MAPR for a credit card account do not apply until October 3, 2017.

Further Information

Please contact your supervisory office or Compliance Policy at (202) 649-5470.

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¹ 80 Fed. Reg. 43560.

² 81 Fed. Reg. 58840.

³ The compliance date for credit card accounts is October 3, 2017, unless the Secretary of Defense provides an additional extension of up to one year for credit card account compliance.

Related Link

- [“Military Lending Act, Interagency Examination Procedures, 2015 Amendments” \(PDF\)](#)