

MILITARY LENDING ACT

The [Military Lending Act \(MLA\)](#) is a Federal law enacted in 2006 to protect servicemembers, spouses and dependents from financial hardship posed by predatory lenders.

Who is covered under the MLA?

- Active-duty servicemembers
- National Guard and reserves on active duty for 30 days or longer
- Spouses and some covered dependents

MLA rights include:

- A 36% interest cap, or Military Annual Percentage Rate (MAPR)
- Prohibits mandatory arbitration
- No mandatory pay-by-allotment
- No mandatory bank account access
- No waiver of federal/state legal rights under other laws (e.g., SCRA)
- No unreasonable notice as a condition for legal action
- No prohibiting prepayment and no prepayment penalties
- No rolling over or refinancing of many loans

Loans covered by the MLA

- Payday loans
- Tax refund anticipation loans
- Vehicle title loans
- Credit cards
- Unsecured loans
- Some installment loans
- Student loans

Loans not covered by the MLA

- Loans expressly intended to finance a vehicle that are secured by the vehicle
- Loans expressly intended to finance the purchase of personal property that are secured by the property
- Home mortgages, home equity loans or lines of credit, reverse mortgages

Download the [MLA Applicability Flow Chart](#) to learn more about what types of consumer credit may or may not be covered by the Military Lending Act.

Effective October 3, 2016, [Senate Bill 626](#) authorized the [Florida Office of Financial Regulation \(OFR\)](#) to enforce the provisions of the Military Lending Act (MLA) on a statewide level. The OFR has the authority to deny a license or take disciplinary actions against state-licensed financial institutions, consumer finance lenders, payday lenders and vehicle title lenders that violate any provisions of the MLA. If the OFR investigates and determines that a lender has violated the terms or regulations of the MLA, it may take legal actions to seek remedies for the violation.



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