AFG Finance

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Military Lending Act

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Federal law gives active-duty service members, their spouses, and certain dependents special protections when they use consumer credit. These protections come from the Military Lending Act (MLA).

Who is covered

You are a covered borrower if, when you sign your contract, you are a member of the armed forces on active duty (including Guard or Reserve members on active duty for more than 30 days), or you are the spouse or a dependent of someone who is.

We confirm whether you are a covered borrower using the Department of Defense's MLA database or your credit report. Being a covered borrower never stops you from applying.

Your protections

> **Statement of Military Annual Percentage Rate**
> Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

- The military annual percentage rate (MAPR) on your contract cannot be more than 36 percent. The MAPR includes certain fees and charges in addition to interest.
- Your contract cannot require you to settle disputes through arbitration. If the contract includes an arbitration clause, it does not apply to you.
- Your contract cannot require you to give up rights under the Servicemembers Civil Relief Act or other federal or state laws.
- You do not have to set up a military allotment to repay the contract.
- There is no penalty for paying off your contract early.

Hearing these disclosures

Before you sign, you can ask us to read the MLA disclosure and a description of your payment obligation to you. Call us at:

(800) 861-9395

Help for service members

Military OneSource offers free financial counseling to service members and their families at militaryonesource.mil. You can also check covered-borrower status on the Department of Defense MLA website.