

Military Lending Act Planning Guide for Card Issuers

On October 3, 2017 new and expanded Military Lending Act rules take effect, so verifying MLA eligibility is vital.

Are you ready?



Easily verify whether a consumer is covered by the Military Lending Act (MLA) using TransUnion's search solutions.

Military Lending Act: What you need to know

Quick facts for lenders

- Under the Final Rule, card issuers are now required to verify if a consumer is covered under the MLA.
- Covered borrowers include all active duty military members and their dependents.
- The MLA database does not distinguish between military members and dependents, and it provides no linkage between family members, so you will need to input consumer information for whomever is applying for credit.
- If a consumer questions whether or not they are a covered borrower, they should be directed to the Defense Manpower Data Center.
- 36% is the maximum military annual percentage rate (MAPR) for military members, which includes fees and ancillary add-ons.
- The compliance deadline is Oct. 3, 2017.

Possible consequences for failing to comply with MLA regulations

- Credit or note may be void from inception
- Criminal fines and penalties
- Private lawsuits
- Risks to the lender's reputation

Solution: TransUnion Military Lending Act Search

A fully compliant suite of products to verify consumer eligibility in accordance with the safe harbor provisions in the 2015 MLA Final Rule

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The MLA add-on is available with:

- Credit Report
- Model Report
- Instant Prescreen
- Instant Credit Risk Screen

TransUnion's Military Lending Act Search add-on can be configured in two ways based on your needs:

- **Default:** The MLA-covered-borrower check will be performed on all of the transactions you submit. If you program to a TransUnion system directly, you will focus on output changes only.
- **Keyword:** The MLA-covered-borrower check will be performed only on the transactions you request. If you program to a TransUnion system directly, you will make small changes to both input and output.

Tip: If your company has separate subscriber codes per line of business, or if the loans you offer are all covered by the MLA, we recommend the Default option.

Use the Keyword option if you use your TransUnion subscriber code for multiple lines of business and some of those loans are not covered by the MLA.



MLA Report

TransUnion offers an MLA Report, a highly condensed consumer report that will output consumer identifying information, as well as the MLA flag. The MLA Report will post a soft inquiry to a consumer's credit file.



Batch processing for prescreens

There are two options to receive MLA data with batch prescreens:

- **The MLA flag can be appended to prescreen data** after all other prescreen processing has completed. In this situation, both MLA Matches and MLA No Matches will be returned.
- **The MLA flag can be used as an exclusion criteria** as part of prescreen processing. This option will exclude MLA covered borrowers from your prescreen campaign.

Please note: The MLA flag cannot be used as an inclusion criteria to target market MLA covered borrowers.

Why TransUnion

MLA search capabilities work with your existing TransUnion solutions

- Fully compliant solutions leveraging both a TransUnion hosted file of active duty personnel and their dependents age 18 and older, and a direct search, as needed, for dependents under age 18
- Ease of use through TransUnion's straightforward integration
- Powerful, targeted data accessed by searching our MLA database using simple input criteria and flexible search logic
- Compliance that protects both card issuer and consumer
- Full production and administrative support is available

LEARN MORE

Contact your sales executive, call **844-245-4071** or visit transunion.com/mla for more information.