

LIMITS ON TERMS OF CREDIT EXTENDED TO MILITARY

Section 232.3 – Defined Consumer Credit	Yes/No/NA	Comments
1. Does the creditor offer or extend or purchase closed-end credit primarily for personal, family, or household purposes in the following categories:		
a. Payday loans,		
b. Vehicle title loans, or		
c. Tax refund anticipation loans?		
If Yes, determine if the loans meet the definitions found in §232.3(b)(1). If Yes, proceed. If No or NA, conclude the review.		
Section 232.4 - Account Terms	Yes/No/NA	Comments
1. Did the creditor impose a military annual percentage rate (MAPR) that is not authorized by applicable State or Federal law? (§232.4(a))?		
2. Did the creditor impose a MAPR greater than 36 percent in connection with extensions of consumer credit to covered borrowers? (§232.4(b)).		
Section 232.5 - Covered Borrower ID Statement	Yes/No/NA	Comments
1. Prior to consummation of the consumer credit transaction,		
a. Did the creditor provide each applicant a clear and conspicuous "covered borrower identification statement" or an alternate identification form that was substantially similar?		
b. Did each applicant sign the statement indicating that he or she is or is not a covered borrower? (§232.5(a)(1))		
c. If the creditor did not use the "covered borrower identification statement" or similar form, did the creditor use procedures that comply with the rule so that the creditor did not make covered loans to covered borrowers on prohibited terms? (§232.4)		
Section 232.6 - Loan Disclosures	Yes/No/NA	Comments
Delivery of Account Disclosures		
1. Does the creditor provide to a covered borrower clearly and conspicuously the initial disclosures before consummation? (§232.6(a))		

2. Does the creditor provide the disclosures in writing in a form the covered borrower can keep? (§232.6(b)(1))		
3. Does the creditor provide the initial disclosures orally before consummation (other than in mail or internet transactions)? (§232.6(b)(2))		
4. For mail or internet transactions, does the creditor provide a toll-free number on or with the written disclosures? (§232.6(b)(2))		
5. For refinancing or renewal of a covered loan, does the creditor provide new disclosures when the transaction would be considered a new transaction that requires disclosures under the Truth in Lending Act? (§232.6(c))		
Content of Disclosures	Yes/No/NA	Comments
6. Do the disclosures include:		
a. The “military annual percentage rate” (MAPR) applicable to the extension of consumer credit, and the total dollar amount of all charges included in the MAPR? (§232.6(a)(1))		
b. Any disclosures required by Regulation Z (Truth in Lending)? (§232.6(a)(2))		
c. A clear description of the payment obligation of the covered borrower, as applicable, such as a payment schedule? (§232.6(a)(3))		
d. The required federal notice? (§232.6(a)(4))		
Section 232.8 - Limitations	Yes/No/NA	Comments
1. Does the creditor, as part of any covered transaction,		
a. Roll over, renew, repay, refinance, or consolidate any covered transaction with the proceeds of a covered transaction to the same covered borrower on the same or less favorable terms to the covered borrower, unless the new transaction results in more favorable terms to the covered borrower? (§232.8(a) (1))		
b. Require the covered borrower to waive their right to legal recourse under any applicable provision of State or Federal law, including any provision of the Service members Civil Relief Act (50 U.S.C. §527 et seq.)? (§232.8(a)(2))		
c. Require the covered borrower to submit to arbitration or imposed any other onerous legal notice provision in the case of a dispute? (§232.8(a) (3))		

Section 232.8 - Limitations	Yes/No/NA	Comments
d. Demand unreasonable notice from the covered borrower as a condition for legal action? (§232.8(a)(4))		
e. Require use of a check or other method of access to a deposit, savings, or other financial account maintained by the covered borrower except that in connection with a transaction with an MAPR consistent with the rule (that is, not greater than 36%)?		
1. The creditor may require an electronic fund transfer to repay the obligation, unless prohibited by Regulation E, 12 C.F.R. Part 205;		
2. May require direct deposit of the consumer's salary as a condition of eligibility, unless otherwise prohibited by law; or		
3. May, if not otherwise prohibited by law, take a security interest in funds deposited after the extension of the covered transaction in an account established in connection with the covered transaction? (§232.8(a)(5))		
f. Require the covered borrower to establish an allotment to repay the obligation? (§232.8(a)(6))		
g. Prohibit the covered borrower from prepaying the credit or charges the covered borrower a penalty fee for prepaying all or part of the credit? (§232.8(a)(7))		