

September 26, 2013

[ADDRESSEE]

Dear _____:

Our military servicemembers who risk their lives and fight to defend us overseas should not have to worry about additional financial pressures at home. Their sole focus should be on the mission and returning home safely. In recognition of the sacrifices made by members of the Armed Forces, the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§501-597b, provides a number of protections to ensure the financial stability of active-duty servicemembers and their families. With our military men and women continuing to bear the brunt of two wars spanning over a decade in Iraq and Afghanistan, it is imperative that the protections of the SCRA are strictly complied with.

Yet evidence continues to surface that the laws designed to protect our servicemembers are not being complied with. In July 2012, Capital One N.A. and Capital One Bank (USA) N.A. entered into a settlement with the Department of Justice after identifying numerous violations of the SCRA, including wrongful foreclosures and improper denials of the SCRA-mandated 6% interest rate cap on auto loans, credit cards, and other types of accounts. On September 19, 2013, J.P. Morgan Chase entered into a settlement with the Office of the Comptroller of the Currency after an investigation uncovered SCRA violations in the bank’s debt collection practices.

These settlements serve as a reminder that we must remain vigilant in ensuring that our servicemembers receive the benefit of the SCRA’s protections. This Office remains concerned about whether financial institutions such as yours are in full compliance with the SCRA in interactions with servicemembers who reside in Delaware. I am therefore contacting you to ascertain your efforts to comply with the SCRA and any efforts undertaken to uncover and remedy potential past violations.

To that end, please provide this Office with the following information by October 16, 2013. Please assume that the relevant time period for each request is January 2009 through the present.

1. Documentation of any internal review conducted to determine whether there has been compliance with the SCRA, including documents reflecting the findings of such review.
2. All written policies, procedures and practices in place used to verify compliance with the SCRA.

3. The total number of customer files reviewed for SCRA compliance.
4. The total number of Delaware customer files reviewed for SCRA compliance.
5. Documentation concerning any SCRA violations identified during your review.
6. All written policies, procedures and practices in place concerning the provision of remediation to account owners to address any judgments obtained in error or other actions taken in violation of the SCRA.
7. Documentation of steps taken to prevent future SCRA violations.
8. All materials used to train employees regarding compliance with the SCRA.

The SCRA provides important protections to our active duty servicemembers. I look forward to working with you to ensure that military families in Delaware and across the nation are treated fairly under the SCRA. If you have any questions about these requests, please contact Jillian Lazar at (302) 577-5088 or at jillian.lazar@state.de.us.

Very truly yours,

Gregory C. Strong
Director, Consumer Protection Unit
Deputy Attorney General