

Military Lending Act (MLA) Covered Borrower Status

KEY BENEFITS

Help ensure safe harbor compliance with the expanded MLA requirements effective October 3, 2016

Save time with an efficient option for performing required status checks prior to origination or closing

Achieve safe harbor and help avoid potential penalties or uncollectable loans associated with MLA non-compliance

Ready to Comply with Updated MLA Rules?

The burden is now on financial institutions — not applicants — to confirm an applicant's MLA covered borrower status in accordance with the changes made to the Military Lending Act of 2006.

That means, starting October 3, 2016, lending institutions need to pull the applicant's MLA covered borrower status prior to origination for most closed or open-ended loans or lines. The MLA Final Rule applies to installment loans, unsecured open-end lines of credit, payday loans, refund anticipation loans, and deposit advance loans. Credit cards will be subject to this same rule as early as October 3, 2017.

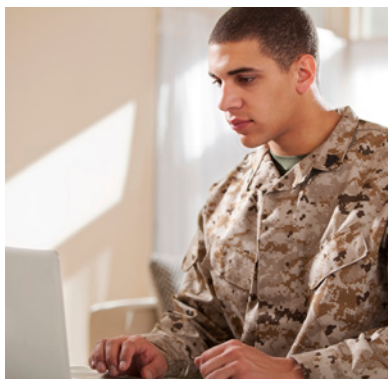
Many institutions will now be affected by the Final Rule because fees and charges are included in the Military Annual Percentage Rate calculation.

Equifax can help you satisfy this additional requirement. Our MLA Covered Borrower Status returns an applicant's status, giving you the valuable, needed insight to which credit terms you must offer in order to help you quickly proceed with origination and maintain a "safe harbor" as stated in the Final Rule.

The MLA Final Rule grants "safe harbor" to lenders if MLA covered borrower status is obtained before origination or closing either:

- from the Department of Defense (DoD) MLA website for each applicant for applicable loans; or
- from a national credit reporting agency.

The MLA Final Rule applies to installment loans, unsecured open-end lines of credit, payday loans, refund anticipation loans, and deposit advance loans.



EQUIFAX[®]



Equifax can provide you with an easier option for requesting the covered borrower status.

Streamline the Process to Save Time and Resources

Since MLA covered borrower status checks are required, the more efficiently you can fulfill them, the better. For lenders, performing these status checks internally can take time and drain resources, as it involves stopping your origination process, manually entering individual applicant information on the Department of Defense's website in order to get the results.

Equifax can provide you with an easier option for requesting the covered borrower status. You can request the status check in the same request as an applicant's consumer credit report, or as a standalone request without a consumer credit report. Minimum input of Last Name, DOB, and SSN are required to receive a result returned in the form of a straightforward status indicator:

- "Y" indicates the applicant is an active duty service member or an 18+ year old dependent
- "N" indicates the applicant is not an active duty service member or an 18+ year old dependent

Program lapses can quickly occur when regulations change as businesses are sometimes challenged with incorporating new compliance requirements into their existing processes. However, for most Equifax customers, adding our MLA Covered Borrower Status to your current origination protocol requires minimal coding to update the input and accept the new MLA output segment response.

Add the MLA Covered Borrower Status to Your Lending Process Today.



CONTACT US TODAY

To get started, contact your account representative or call:
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