



Navy-Marine Corps Relief Society

875 N. Randolph St., Suite 225 ♦ Arlington, VA 22203

Tel: 703-696-4904 ♦ DSN 426-4904 ♦ Fax: 703-696-0144

www.nmcrs.org

May 18, 2011

New York Legislature
Albany, New York

Dear Honorable Members of the New York Legislature:

I write asking you to oppose Bill S.3841/A.7047 "Short Term Financial Services Loan Act". This bill creates an exclusive exemption for check cashers to make short-term loans at interest rates in excess of the amounts established by the state's longstanding usury laws. There is no upper limit in the bill for what they may charge. The Navy-Marine Corps Relief Society believes these changes would be harmful to active and retired Sailors, Marines, and their families residing in New York and struggling to make ends meet in this difficult economy.

Since its inception in 1904, the Navy-Marine Corps Relief Society has had the mission of assisting Marines, Sailors and their families in need. Our work is critical to the Navy and Marine Corps in helping maintain the highest level of financial readiness. We coordinate our assistance with military commanders and consumer organizations in the state of New York to protect military families from the harmful impacts of high-cost consumer finance loans and other predatory lending practices. Young military families are particularly vulnerable to high cost lenders. They are frequently new consumers with little credit history, moving regularly and away from the traditional support network of their family and friends. Often spouses must make financial decisions while the service member is deployed. High cost loans can easily push their finances to the edge and harm their financial well being.

Last year the Navy-Marine Corps Relief Society provided nearly \$50 million in financial assistance to one in every five active duty Marines and Sailors. Much of this assistance was needed to pay off high interest credit they could not afford. Permanently exempting short-term, high cost loans from the state's usury caps is a grave concern because it opens the door for high cost predatory loans as proposed in S.3841/A.7047. For a military member, trouble with finances can result in loss of security clearances and other impacts that impair readiness. You will do a great service for our men and women in the Armed Services who are serving our country by voting against any effort to allow a pathway for predatory loans as proposed in S.3841/A.7047.

Best wishes and thank you for your continued support of our military personnel in New York.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Abbot", written over a horizontal line.

Steve Abbot, Admiral USN (Ret.)
President, Chief Executive Officer

*Since 1904 ... Helping nearly four million Sailors, Marines and their families
with more than one billion dollars in interest-free loans & grants!*