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## DoD Programs Serve as Alternative to Predatory Lenders

Many Sailors are falling victim to businesses that profit from predatory lending. Although there is no exact definition of predatory lending, the term is used for abuse, including immense fees, excessive interest rates and outrageous insurance costs.



Predatory lenders use names like “Military Loans” and “American Financial” to suggest they are affiliated with the military. Among these tactics, however, the most prevalent form of predatory lending is the payday loan, also known as a cash advance.

According to the Center for Responsible Lending, payday loans are the practice of using a post-dated check as collateral for a short-term loan. Payday loans are especially popular during troop deployment.

The Department of Defense offers a variety of resources to aid Sailors in preventing financial disasters and curbing lender aftermaths. Local Fleet and Family Support Centers provide pro-active, long-range education aimed at preventing financial crises. The Navy/Marine Corps Relief Society also devotes considerable attention to the financial concerns of Sailors through services such as budget reviews.