



## ASSOCIATION OF THE UNITED STATES ARMY

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7 November 2014

General Gordon R. Sullivan  
United States Army (Ret.)  
President

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1700 G St. NW  
Washington, DC 20552

Dear Mr. Cordray:

On behalf of the members of the Association of the United States Army, I write to ask the Consumer Financial Protection Bureau to include consideration of the detrimental effects of forced arbitration on service members in its study of consumer arbitration mandated by Section 1028(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

In spite of a Department of Defense finding in 2006 that states, "*Service members should maintain full legal recourse against unscrupulous lenders. Loan contracts to Service members should not include mandatory arbitration clauses or onerous notice provisions, and should not require the Service member to waive his or her right of recourse, such as the right to participate in a plaintiff class. Waiver isn't a matter of 'choice' in take-it-or-leave-it contracts of adhesion.*" Service members and their families continue to be negatively impacted by forced arbitration clauses usually hidden in the fine print of financial services contracts. These clauses eliminate access to the courts and instead funnel all service member claims into private, costly arbitration systems set up by the bad actors that violated the law. The effect is to immunize bad actors from accountability.

We agree with the Bureau statement that "Service members should be able to accomplish their mission without worrying about illegal or harmful financial practices." If service members are victims of a scam or fraud, they should be able to hold the financial institution accountable. Again, we urge you to include this important aspect of the issue in your arbitration study.

Sincerely,



GORDON R. SULLIVAN  
General, USA Retired

GRS/wbl

CC: Holly Petraeus, Assistant Director for Servicemember Affairs