

**U.S. Senators Say:  
Predatory lending harms our military families...  
and threatens our national defense.**

Quotes from Senate Banking Committee hearing on  
Pentagon's report on predatory lending, Sept. 14, 2006

"These lenders often count on the fact that borrowers will be unable to pay the loan in full when due, forcing borrowers to seek additional loans, which generate more fees."

*Sen. Richard Shelby (R-AL), Chairman Senate Banking Committee*

"This problem is a real threat to our national defense... Predatory lenders are blatantly targeting our military personnel, undermining their financial stability and tarnishing their service records. This practice not only creates financial problems for individual soldiers and their families, but it also weakens our military's operational readiness."

*Sen. Elizabeth Dole (R-NC)*

"As the Pentagon report mentions, my home state of North Carolina has been aggressively cracking down on predatory lenders, imposing a 36 percent small loan usury cap reinforced by [a] strong bank regulator."

*Sen. Elizabeth Dole (R-NC)*

"The provision that Senator Dole talked about, a 36 percent cap, I think is more than reasonable. Some of these loans have average annual percentage rates of 470 percent."

*Sen. Jack Reed (D-RI)*

"Predatory lending is an abhorrent practice, but especially when it takes advantage of our men and women in uniform."

*Sen. Wayne Allard (R-CO)*

"[U]nless we have a national law, we're not going to stop this, no matter what we do at the state level, no matter what we do in terms of the FDIC... I want to join with you and all of my colleagues to make sure we shut this down once and for all."

*Sen. Charles Schumer (D-NY)*

"[T]his is an egregious practice. It is a terrible blight upon the lives of our service men and women and, really, to all people who fall prey to this kind of lending."

*Sen. Mel Martinez (R-FL)*