

Deer Park, NY— On Friday, Congressman Steve Israel joined the United Way of Long Island and veterans from Operation Iraqi Freedom and other wars to announce legislation that would protect deployed soldiers from disclosure, poor credit ratings, harassment and repossession. Israel was joined by a retired Long Island Naval Reservist, assisted by the United Way, who suffered from repossession threats, burdensome credit card debt and sky high interest rates during his deployment. Israel's legislation strengthens current protections offered to deployed soldiers and their families, which service members and financial institutions contend are difficult to enforce.

"The same troops that are protecting our interests abroad shouldn't have to worry about protecting their financial security at home," said Congressman Israel. "As members of our armed forces prepare to deploy to Iraq, many of them for the third or fourth time, the last thing that is on their minds is their credit score. If the President is willing to send troops into harm's way, the very least he can do is to take steps to secure their financial wellbeing upon return from battle."

"Our service men and women should return from the battlefield to parades and celebrations, not a mountain of debt," said Christopher Hahn, president & CEO of United Way of Long Island. "We look forward to working with Congressman Israel to make certain that the financial home front does not become a minefield for our brave troops."

"My wife and I thought that we took all the necessary steps before I left for Kuwait," said Massapequa Park resident Karl Botkin, who served as a naval reserve officer in Kuwait from July 2005 to April 2006. "Yet my wife received numerous calls from creditors and we feared that our truck may be repossessed. We had mounting credit card bills and sky high interest rates. There are so many other issues that are on your mind when you're getting ready to deploy and just as many problems when you get back. I hope Congressman Israel's legislation passes so that banks become more aware of the situation we're in while deployed."

The Servicemembers Credit Protection Act strengthens the protections offered to active duty servicemembers found in the Servicemembers Civil Relief Act (SCRA). Under SCRA, deployed servicemembers are entitled to having the interest rate on their loans reduced to 6 percent, and creditors are prohibited from repossessing their property or foreclosing on their loans while they are deployed. To avail themselves of this relief, the servicemembers must notify their creditors of their deployment, something that is often overlooked in the compressed timeframe between notification of deployment and shipping out. Additionally, due to the large volume of paperwork

that must be completed prior to deployment, many servicemembers report that they don't recall being apprised of their rights and responsibilities under SCRA.

Israel's bill requires that the Department of Defense (DOD) alert the three credit agencies when a servicemember is deployed and provide them with a detailed description of the rights provided by SCRA, which would later serve as a notice for creditors. Within 30 days of a servicemember's deployment to a combat zone, the DOD would notify the national credit bureaus so that they could place a note on his/her credit report. The credit bureaus would then notify any creditor who reports negative activity on a servicemember's credit report. Finally, the bill would increase the penalties for consumer credit reporting violations involving servicemembers deployed to an overseas combat zone.

In 2005, a series of articles in the New York Times revealed the financial plight of soldiers returning home, many of them finding their cars repossessed and their homes in foreclosure, in violation of the law. The article noted that many creditors and servicemembers are unaware of the protections granted by SCRA and that enforcement of the law has been difficult because servicemembers are responsible for invoking their rights under the act. A 2005 report by the Government Accountability Office (GAO) recommended that DOD take steps to provide better communications access for deployed servicemembers with their creditors.