

IMPORTANT NOTICE

DOD to Withdraw MLA 12/2017 Interpretive Rule Amendment

February 27, 2020

As you may recall, the Department of Defense (DOD) published an amendment to its interpretive rule for the Military Lending Act (MLA) that became effective December 14, 2017.

Subsequently, the issuance of the December 2017 interpretive rule has resulted in many military service members and/or their family members to not be able to obtain GAP coverage due to many Lenders deciding to not finance such transactions.

Tomorrow, after more than two years of work led by GAPA and including a coalition of other trade association, the DOD will publish in the Federal Register a notice withdrawing its December 2017 guidance purporting to interpret the Military Lending Act. A link to the document is included below.

This guidance specifically named gap waiver as a product that, if financed together with a motor vehicle, would cause the finance agreement to fall outside the scope of the “motor vehicle exception” to the Military Lending Act. Tomorrow’s withdrawal will restore the 2016 version of “Question and Answer 2,” which applied only to loans for personal property.

Important Links:

[DOD Withdrawal Notice](#) – published 2/28/2020

We know that you may have questions or concerns; so, please feel free to contact your Account Executive or Wise F&I Client Services at 800-849-9559 or clientservices@wisefandi.com.

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