

# IMPORTANT NOTICE

## **DOD Eliminates MLA 12/2017 Interpretive Rule Amendment**

*February 28, 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.

Today, after more than two years of work led by GAPPA and including a coalition of other trade association, the DOD published a notice in the Federal Register withdrawing its December 2017 guidance purporting to interpret the Military Lending Act. A link to the document filed in the Federal Register 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 MLA Federal Register Notice](#) – Filed 2/28/2020

We know that you may have questions or concerns; so, please feel free to contact Wise F&I Client Services at 800-849-9559 or [clientservices@wisefandi.com](mailto:clientservices@wisefandi.com).

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