

## Sample MLA Dealership Policy

To ensure (Dealership Name) is in compliance with the Military Lending Act (MLA), our procedure with every customer applying for financing through the dealership is the following:

1. Check each customer against the MLA/DMDC website (<https://mla.dmdc.osd.mil/mla/#/single-record>) to determine if the Defense Manpower Data Center (DMDC) “does” or “does not” possess information indicating the individual is either on active duty or a family member of a service member.
  - a. If the DMDC “does” possess information, the following procedures (#2-5 listed below) will be enforced in accordance with the MLA.
2. Calculate the Military Annual Percentage Rate (MAPR) (found here: <http://www.maprcalculator.com/MAPRClosedLoan.html>) including: amount financed, term in months, interest rate, credit insurance premiums, debt cancellation or debt suspension, qualifying credit-related ancillary product sold, any plan participation fee, and any other fees to include.
  - a. The maximum MAPR is 36%.
  - b. All Retail Installment Sales Contracts (RISC) will have an MAPR below 36%.
  - c. The MAPR report will be inspected to ensure it is below 36%.
  - d. A copy of the report will be printed.
  - e. Dealership will retain a copy.
  - f. Dealership can remit a copy to Finance Company if desired.
3. Contract date, amount financed, number of payments, and monthly payment will be verbally disclosed, in addition to being in writing on this form: <https://www.theacademylive.com/Portals/1/Docs/MLA-Disclosure-Document.pdf>
  - a. Customer signature is required.
  - b. Dealership will retain a copy.
  - c. Dealership can remit a copy to Finance Company if desired.
4. A full RISC disclosure including, but not limited to, monthly payment, due date, APR, finance charge, amount financed, total of payments, and total sale price including any down payment, will be performed prior to consummation of the RISC.
5. Arbitration agreements between the dealership and any MLA qualifying customer will not be required or signed.

The following determination and disclosure procedure is compliant with the recent interpretation by the Department of Defense (DOD) regarding credit-related products.