

extension of credit, to be expressed and disclosed to the borrower as a total amount and as a percentage of the principal amount of the obligation, at the time at which the transaction is entered into.

(D) Definitions of “creditor” under paragraph (5) and “consumer credit” under paragraph (6) of subsection (i), consistent with the provisions of this section.

(E) Such other criteria or limitations as the Secretary of Defense determines appropriate, consistent with the provisions of this section.

(3) In prescribing regulations under this subsection, the Secretary of Defense shall consult with the following:

(A) The Federal Trade Commission.

(B) The Board of Governors of the Federal Reserve System.

(C) The Office of the Comptroller of the Currency.

(D) The Federal Deposit Insurance Corporation.

(E) The Office of Thrift Supervision.

(F) The National Credit Union Administration.

(G) The Treasury Department.

(i) DEFINITIONS.—In this section:

(1) COVERED MEMBER.—The term “covered member” means a member of the armed forces who is—

(A) on active duty under a call or order that does not specify a period of 30 days or less; or

(B) on active Guard and Reserve Duty.

(2) DEPENDENT.—The term “dependent”, with respect to a covered member, means—

(A) the member’s spouse;

(B) the member’s child (as defined in section 101(4) of title 38); or

(C) an individual for whom the member provided more than one-half of the individual’s support for 180 days immediately preceding an extension of consumer credit covered by this section.

(3) INTEREST.—The term “interest” includes all cost elements associated with the extension of credit, including fees, service charges, renewal charges, credit insurance premiums, any ancillary product sold with any extension of credit to a servicemember or the servicemember’s dependent, as applicable, and any other charge or premium with respect to the extension of consumer credit.

(4) ANNUAL PERCENTAGE RATE.—The term “annual percentage rate” has the same meaning as in section 107 of the Truth and Lending Act (15 U.S.C. 1606), as implemented by regulations of the Board of Governors of the Federal Reserve System. For purposes of this section, such term includes all fees and charges, including charges and fees for single premium credit insurance and other ancillary products sold in connection with the credit transaction, and such fees and charges shall be included in the calculation of the annual percentage rate.

(5) CREDITOR.—The term “creditor” means a person—

(A) who—

(i) is engaged in the business of extending consumer credit; and

(ii) meets such additional criteria as are specified for such purpose in regulations prescribed under this section; or

(B) who is an assignee of a person described in subparagraph (A) with respect to any consumer credit extended.

(6) CONSUMER CREDIT.—The term “consumer credit” has the meaning provided for such term in regulations prescribed under this section, except that such term does not include (A) a residential mortgage, or (B) a loan procured in the course of purchasing a car or other personal property, when that loan is offered for the express purpose of financing the purchase and is secured by the car or personal property procured.

(Added Pub. L. 109-364, div. A, title VI, §670(a), Oct. 17, 2006, 120 Stat. 2266.)

#### REFERENCES IN TEXT

The Truth in Lending Act, referred to in subsec. (c)(1)(B), (2), is title I of Pub. L. 90-321, May 29, 1968, 82 Stat. 146, as amended, which is classified generally to subchapter I (§1601 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

The Servicemembers Civil Relief Act, referred to in subsecs. (e)(2) and (g), is act Oct. 17, 1940, ch. 888, 54 Stat. 1178, as amended, which is classified to section 501 et seq. of Title 50, Appendix, War and National Defense. For complete classification of this Act to the Code, see section 501 of Title 50, Appendix, and Tables.

#### EFFECTIVE DATE

Pub. L. 109-364, div. A, title VI, §670(c), Oct. 17, 2006, 120 Stat. 2269, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), section 987 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2007, or on such earlier date as may be prescribed by the Secretary of Defense, and shall apply with respect to extensions of consumer credit on or after such effective date.

“(2) AUTHORITY TO PRESCRIBE REGULATIONS.—Subsection (h) of such section shall take effect on the date of the enactment of this Act [Oct. 17, 2006].

“(3) PUBLICATION OF EARLIER EFFECTIVE DATE.—If the Secretary of Defense prescribes an effective date for section 987 of title 10, United States Code, as added by subsection (a), earlier than October 1, 2007, the Secretary shall publish that date in the Federal Register. Such publication shall be made not less than 90 days before that earlier effective date.”

#### INTERIM REGULATIONS

Pub. L. 109-364, div. A, title VI, §670(d), Oct. 17, 2006, 120 Stat. 2269, provided that: “The Secretary of Defense may prescribe interim regulations as necessary to carry out such section [this section]. For the purpose of prescribing such interim regulations, the Secretary is excepted from compliance with the notice-and-comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this subsection that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of section 987 of title 10, United States Code [see Effective Date note above], as added by this section.”

### CHAPTER 50—MISCELLANEOUS COMMAND RESPONSIBILITIES

Sec. 991.	Management of deployments of members.
992.	Consumer education: financial services.

Sec.

## AMENDMENTS

2006—Pub. L. 109-163, div. A, title V, § 578(a)(2), Jan. 6, 2006, 119 Stat. 3276, added item 992.

**§ 991. Management of deployments of members**

(a) **MANAGEMENT RESPONSIBILITIES.**—(1) The deployment (or potential deployment) of a member of the armed forces shall be managed to ensure that the member is not deployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed—

(A) out of the preceding 365 days would exceed the one-year high-deployment threshold; or

(B) out of the preceding 730 days would exceed the two-year high-deployment threshold.

(2) In this subsection:

(A) The term “one-year high-deployment threshold” means—

(i) 220 days; or

(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

(B) The term “two-year high-deployment threshold” means—

(i) 400 days; or

(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

(3) A member may be deployed, or continued in a deployment, without regard to paragraph (1) if the deployment, or continued deployment, is approved by the Secretary of Defense. The authority of the Secretary under the preceding sentence may only be delegated to—

(A) a civilian officer of the Department of Defense appointed by the President, by and with the advise and consent of the Senate, or a member of the Senior Executive Service; or

(B) a general or flag officer in that member’s chain of command (including an officer in the grade of colonel, or in the case of the Navy, captain, serving in a general or flag officer position who has been selected for promotion to the grade of brigadier general or rear admiral (lower half) in a report of a selection board convened under section 611(a) or 14101(a) of this title that has been approved by the President).

(b) **DEPLOYMENT DEFINED.**—(1) For the purposes of this section, a member of the armed forces shall be considered to be deployed or in a deployment on any day on which, pursuant to orders, the member is performing service in a training exercise or operation at a location or under circumstances that make it impossible or infeasible for the member to spend off-duty time in the housing in which the member resides when on garrison duty at the member’s permanent duty station or homeport, as the case may be.

(2) In the case of a member of a reserve component who is performing active service pursuant to orders that do not establish a permanent change of station, the housing referred to in

paragraph (1) is any housing (which may include the member’s residence) that the member usually occupies for use during off-duty time when on garrison duty at the member’s permanent duty station or homeport, as the case may be.

(3) For the purposes of this section, a member is not deployed or in a deployment when the member is—

(A) performing service as a student or trainee at a school (including any Government school);

(B) performing administrative, guard, or detail duties in garrison at the member’s permanent duty station; or

(C) unavailable solely because of—

(i) a hospitalization of the member at the member’s permanent duty station or homeport or in the immediate vicinity of the member’s permanent residence; or

(ii) a disciplinary action taken against the member.

(4) The Secretary of Defense may prescribe a definition of deployment for the purposes of this section other than the definition specified in paragraphs (1) and (2). Any such definition may not take effect until 90 days after the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of the revised standard definition of deployment.

(c) **RECORDKEEPING.**—The Secretary of each military department shall establish a system for tracking and recording the number of days that each member of the armed forces under the jurisdiction of the Secretary is deployed.

(d) **NATIONAL SECURITY WAIVER AUTHORITY.**—The Secretary of the military department concerned may suspend the applicability of this section to a member or any group of members under the Secretary’s jurisdiction when the Secretary determines that such a waiver is necessary in the national security interests of the United States.

(e) **INAPPLICABILITY TO COAST GUARD.**—This section does not apply to a member of the Coast Guard when the Coast Guard is not operating as a service in the Navy.

(Added Pub. L. 106-65, div. A, title V, § 586(a), Oct. 5, 1999, 113 Stat. 637; amended Pub. L. 106-398, § 1 [[div. A], title V, § 574(a), (b)], Oct. 30, 2000, 114 Stat. 1654, 1654A-136, 1654A-137; Pub. L. 107-107, div. A, title V, § 515(a), Dec. 28, 2001, 115 Stat. 1093; Pub. L. 108-136, div. A, title V, § 541(a), Nov. 24, 2003, 117 Stat. 1475.)

## AMENDMENTS

2003—Subsec. (a). Pub. L. 108-136 reenacted heading without change and amended text generally. Prior to amendment, text read as follows:

“(1) The deployment (or potential deployment) of a member of the armed forces shall be managed, during any period when the member is a high-deployment days member, by the officer in the chain of command of that member who is the lowest-ranking general or flag officer in that chain of command. That officer shall ensure that the member is not deployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed out of the preceding 365 days would exceed 220. However, the member may be deployed, or continued in a deployment, without regard to the preceding sentence if such deployment, or continued deployment, is approved—

“(A) in the case of a member who is assigned to a combatant command in a position under the operational control of the officer in that combatant command who is the service component commander for the members of that member’s armed force in that combatant command, by that officer; and

“(B) in the case of a member not assigned as described in subparagraph (A), by the service chief of that member’s armed force (or, if so designated by that service chief, by an officer of the same armed force on active duty who is in the grade of general or admiral or who is the personnel chief for that armed force).

“(2) In this section, the term ‘high-deployment days member’ means a member who has been deployed 182 days or more out of the preceding 365 days.

“(3) In paragraph (1)(B), the term ‘service chief’ means the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, or the Commandant of the Marine Corps.”

2001—Subsec. (b)(2). Pub. L. 107-107 amended par. (2) generally. Prior to amendment, par. (2) read as follows:

“(2) In the case of a member of a reserve component performing active service, the member shall be considered deployed or in a deployment for the purposes of paragraph (1) on any day on which, pursuant to orders that do not establish a permanent change of station, the member is performing the active service at a location that—

“(A) is not the member’s permanent training site; and

“(B) is—

“(i) at least 100 miles from the member’s permanent residence; or

“(ii) a lesser distance from the member’s permanent residence that, under the circumstances applicable to the member’s travel, is a distance that requires at least three hours of travel to traverse.”

2000—Subsec. (a)(1). Pub. L. 106-398, §1 [[div. A], title V, §574(a)(1)], substituted “. However, the member may be deployed, or continued in a deployment, without regard to the preceding sentence if such deployment, or continued deployment, is approved—” and subpars. (A) and (B) for “unless an officer in the grade of general or admiral in the member’s chain of command approves the deployment, or continued deployment, of the member.”

Subsec. (a)(3). Pub. L. 106-398, §1 [[div. A], title V, §574(a)(2)], added par. (3).

Subsec. (b)(1). Pub. L. 106-398, §1 [[div. A], title V, §574(b)(1)], inserted “or homeport, as the case may be” before period at end.

Subsec. (b)(2). Pub. L. 106-398, §1 [[div. A], title V, §574(b)(3)], added par. (2). Former par. (2) redesignated (3).

Subsec. (b)(3). Pub. L. 106-398, §1 [[div. A], title V, §574(b)(2)], redesignated par. (2) as (3). Former par. (3) redesignated (4).

Subsec. (b)(3)(C). Pub. L. 106-398, §1 [[div. A], title V, §574(b)(4)], added subpar. (C).

Subsec. (b)(4). Pub. L. 106-398, §1 [[div. A], title V, §574(b)(2)], redesignated par. (3) as (4).

#### EFFECTIVE DATE OF 2001 AMENDMENT

Pub. L. 107-107, div. A, title V, §515(b), Dec. 28, 2001, 115 Stat. 1094, provided that: “The amendment made by this section [amending this section] shall apply with respect to duty performed on or after October 1, 2001.”

#### EFFECTIVE DATE

Pub. L. 106-65, div. A, title V, §586(d)(1), Oct. 5, 1999, 113 Stat. 639, provided that: “Section 991 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 2000. No day on which a member of the Armed Forces is deployed (as defined in subsection (b) of that section) before that date may be counted in determining the number of days on which a member has been deployed for purposes of that section.”

#### REGULATIONS

Pub. L. 106-65, div. A, title V, §586(e), Oct. 5, 1999, 113 Stat. 639, provided that: “Not later than June 1, 2000, the Secretary of each military department shall prescribe in regulations the policies and procedures for implementing such provisions of law for that military department.”

#### TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

#### FAMILY CARE PLANS AND DEFERMENT OF DEPLOYMENT OF SINGLE PARENT OR DUAL MILITARY COUPLES WITH MINOR DEPENDENTS

Pub. L. 110-181, div. A, title V, §586, Jan. 28, 2008, 122 Stat. 132, provided that: “The Secretary of Defense shall establish appropriate procedures to ensure that an adequate family care plan is in place for a member of the Armed Forces with minor dependents who is a single parent or whose spouse is also a member of the Armed Forces when the member may be deployed in an area for which imminent danger pay is authorized under section 310 of title 37, United States Code. Such procedures should allow the member to request a deferment of deployment due to unforeseen circumstances, and the request for such a deferment should be considered and responded to promptly.”

#### POLICY ON CONCURRENT DEPLOYMENT TO COMBAT ZONES OF BOTH MILITARY SPOUSES OF MILITARY FAMILIES WITH MINOR CHILDREN

Pub. L. 108-136, div. A, title V, §585, Nov. 24, 2003, 117 Stat. 1492, provided that:

“(a) PUBLICATION OF POLICY.—Not later than 180 days after the date of the enactment of this Act [Nov. 24, 2003], the Secretary of Defense shall—

“(1) prescribe the policy of the Department of Defense on concurrent deployment to a combat zone of both spouses of a dual-military family with one or more minor children; and

“(2) transmit the policy to the Committees on Armed Services of the Senate and the House of Representatives.

“(b) DUAL-MILITARY FAMILY DEFINED.—In this section, the term ‘dual-military family’ means a family in which both spouses are members of the Armed Forces.”

#### REVIEW OF MANAGEMENT OF DEPLOYMENTS OF INDIVIDUAL MEMBERS

Pub. L. 106-398, §1 [[div. A], title V, §574(d)], Oct. 30, 2000, 114 Stat. 1654, 1654A-138, as amended by Pub. L. 107-107, div. A, title V, §592(b), Dec. 28, 2001, 115 Stat. 1125, directed the Secretary of Defense to submit to committees of Congress a report on the administration of this section during fiscal year 2001 not later than Mar. 31, 2002.

#### § 992. Consumer education: financial services

(a) REQUIREMENT FOR CONSUMER EDUCATION PROGRAM FOR MEMBERS.—(1) The Secretary concerned shall carry out a program to provide comprehensive education to members of the armed forces under the jurisdiction of the Secretary on—

(A) financial services that are available under law to members;

(B) financial services that are routinely offered by private sector sources to members;

(C) practices relating to the marketing of private sector financial services to members;

(D) such other matters relating to financial services available to members, and the marketing of financial services to members, as the Secretary considers appropriate; and

(E) such other financial practices as the Secretary considers appropriate.

(2) Training under this subsection shall be provided to members as—

(A) a component of members initial entry orientation training; and

(B) a component of periodically recurring required training that is provided for the members at military installations.

(3) The training provided at a military installation under paragraph (2)(B) shall include information on any financial services marketing practices that are particularly prevalent at that military installation and in the vicinity.

(b) COUNSELING FOR MEMBERS AND SPOUSES.—

(1) The Secretary concerned shall, upon request, provide counseling on financial services to each member of the armed forces, and such member's spouse, under the jurisdiction of the Secretary.

(2)(A) In the case of a military installation at which at least 2,000 members of the armed forces on active duty are assigned, the Secretary concerned—

(i) shall provide counseling on financial services under this subsection through a full-time financial services counselor at such installation; and

(ii) may provide such counseling at such installation by any means elected by the Secretary from among the following:

(I) Through members of the armed forces in pay grade E-7 or above, or civilians, who provide such counseling as part of their other duties for the armed forces or the Department of Defense.

(II) By contract, including contract for services by telephone and by the Internet.

(III) Through qualified representatives of nonprofit organizations and agencies under formal agreements with the Department of Defense to provide such counseling.

(B) In the case of any military installation not described in subparagraph (A), the Secretary concerned shall provide counseling on financial services under this subsection at such installation by any of the means set forth in subparagraph (A)(ii), as elected by the Secretary concerned.

(3) Each financial services counselor under paragraph (2)(A)(i), and any other individual providing counseling on financial services under paragraph (2), shall be an individual who, by reason of education, training, or experience, is qualified to provide helpful counseling to members of the armed forces and their spouses on financial services and marketing practices described in subsection (a)(1). Such individual may be a member of the armed forces or an employee of the Federal Government.

(4) The Secretary concerned shall take such action as is necessary to ensure that each financial services counselor under paragraph (2)(A)(i), and any other individual providing counseling on financial services under paragraphs (2), is

free from conflicts of interest relevant to the performance of duty under this section and, in the performance of that duty, is dedicated to furnishing members of the armed forces and their spouses with helpful information and counseling on financial services and related marketing practices.

(c) LIFE INSURANCE.—In counseling a member of the armed forces, or spouse of a member of the armed forces, under this section regarding life insurance offered by a private sector source, a financial services counselor under subsection (b)(2)(A)(i), or another individual providing counseling on financial services under subsection (b)(2), shall furnish the member or spouse, as the case may be, with information on the availability of Servicemembers' Group Life Insurance under subchapter III of chapter 19 of title 38, including information on the amounts of coverage available and the procedures for electing coverage and the amount of coverage.

(d) FINANCIAL SERVICES DEFINED.—In this section, the term "financial services" includes the following:

(1) Life insurance, casualty insurance, and other insurance.

(2) Investments in securities or financial instruments.

(3) Banking, credit, loans, deferred payment plans, and mortgages.

(Added Pub. L. 109-163, div. A, title V, § 578(a)(1), Jan. 6, 2006, 119 Stat. 3274; amended Pub. L. 111-84, div. A, title X, § 1073(a)(8), Oct. 28, 2009, 123 Stat. 2472.)

#### AMENDMENTS

2009—Subsec. (b)(4). Pub. L. 111-84 struck out period after "under this section".

#### EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-163, div. A, title V, § 578(b), Jan. 6, 2006, 119 Stat. 3276, provided that: "The amendments made by this section [enacting this section] shall take effect on the first day of the first month that begins more than 120 days after the date of the enactment of this Act [Jan. 6, 2006]."

#### COUNSELING ON MORTGAGE FORECLOSURES FOR MEMBERS OF THE ARMED FORCES RETURNING FROM SERVICE ABROAD

Pub. L. 110-289, div. B, title II, § 2202, July 30, 2008, 122 Stat. 2849, provided that:

"(a) IN GENERAL.—The Secretary of Defense shall develop and implement a program to advise members of the Armed Forces (including members of the National Guard and Reserve) who are returning from service on active duty abroad (including service in Operation Iraqi Freedom and Operation Enduring Freedom) on actions to be taken by such members to prevent or forestall mortgage foreclosures.

"(b) ELEMENTS.—The program required by subsection (a) shall include the following:

"(1) Credit counseling.

"(2) Home mortgage counseling.

"(3) Such other counseling and information as the Secretary considers appropriate for purposes of the program.

"(c) TIMING OF PROVISION OF COUNSELING.—Counseling and other information under the program required by subsection (a) shall be provided to a member of the Armed Forces covered by the program as soon as practicable after the return of the member from service as described in subsection (a)."

## MILITARY PERSONNEL FINANCIAL SERVICES PROTECTION

Pub. L. 109-290, Sept. 29, 2006, 120 Stat. 1317, provided that:

## “SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

“(a) SHORT TITLE.—This Act may be cited as the ‘Military Personnel Financial Services Protection Act’.

“(b) TABLE OF CONTENTS.—[Omitted]

## “SEC. 2. CONGRESSIONAL FINDINGS.

“Congress finds that—

“(1) members of the Armed Forces perform great sacrifices in protecting our Nation in the War on Terror;

“(2) the brave men and women in uniform deserve to be offered first-rate financial products in order to provide for their families and to save and invest for retirement;

“(3) members of the Armed Forces are being offered high-cost securities and life insurance products by some financial services companies engaging in abusive and misleading sales practices;

“(4) one securities product offered to service members, known as the ‘mutual fund contractual plan’, largely disappeared from the civilian market in the 1980s, due to excessive sales charges;

“(5) with respect to a mutual fund contractual plan, a 50 percent sales commission is assessed against the first year of contributions, despite an average commission on other securities products of less than 6 percent on each sale;

“(6) excessive sales charges allow abusive and misleading sales practices in connection with mutual fund contractual plan;

“(7) certain life insurance products being offered to members of the Armed Forces are improperly marketed as investment products, providing minimal death benefits in exchange for excessive premiums that are front-loaded in the first few years, making them entirely inappropriate for most military personnel; and

“(8) the need for regulation of the marketing and sale of securities and life insurance products on military bases necessitates Congressional action.

## “SEC. 3. DEFINITIONS.

“For purposes of this Act, the following definitions shall apply:

“(1) LIFE INSURANCE PRODUCT.—

“(A) IN GENERAL.—The term ‘life insurance product’ means any product, including individual and group life insurance, funding agreements, and annuities, that provides insurance for which the probabilities of the duration of human life or the rate of mortality are an element or condition of insurance.

“(B) INCLUDED INSURANCE.—The term ‘life insurance product’ includes the granting of—

“(i) endowment benefits;

“(ii) additional benefits in the event of death by accident or accidental means;

“(iii) disability income benefits;

“(iv) additional disability benefits that operate to safeguard the contract from lapse or to provide a special surrender value, or special benefit in the event of total and permanent disability;

“(v) benefits that provide payment or reimbursement for long-term home health care, or long-term care in a nursing home or other related facility;

“(vi) burial insurance; and

“(vii) optional modes of settlement or proceeds of life insurance.

“(C) EXCLUSIONS.—Such term does not include workers compensation insurance, medical indemnity health insurance, or property and casualty insurance.

“(2) NAIC.—The term ‘NAIC’ means the National Association of Insurance Commissioners (or any successor thereto).

## “SEC. 4. PROHIBITION ON FUTURE SALES OF PERIODIC PAYMENT PLANS.

“(a) AMENDMENT.—[Amended section 80a-27 of Title 15, Commerce and Trade.]

“(b) TECHNICAL AMENDMENT.—[Amended section 80a-27 of Title 15.]

“(c) REPORT ON REFUNDS, SALES PRACTICES, AND REVENUES FROM PERIODIC PAYMENT PLANS.—Not later than 6 months after the date of enactment of this Act [Sept. 29, 2006], the Securities and Exchange Commission shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report describing—

“(1) any measures taken by a broker or dealer registered with the Securities and Exchange Commission pursuant to section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) to voluntarily refund payments made by military service members on any periodic payment plan certificate, and the amounts of such refunds;

“(2) after such consultation with the Secretary of Defense, as the Commission considers appropriate, the sales practices of such brokers or dealers on military installations over the 5 years preceding the date of submission of the report and any legislative or regulatory recommendations to improve such practices; and

“(3) the revenues generated by such brokers or dealers in the sales of periodic payment plan certificates over the 5 years preceding the date of submission of the report, and the products marketed by such brokers or dealers to replace the revenue generated from the sales of periodic payment plan certificates prohibited under subsection (a).

## “SEC. 5. REQUIRED DISCLOSURES REGARDING OFFERS OR SALES OF SECURITIES ON MILITARY INSTALLATIONS.

[Amended section 78o-3 of Title 15.]

## “SEC. 6. METHOD OF MAINTAINING BROKER AND DEALER REGISTRATION, DISCIPLINARY, AND OTHER DATA.

[Amended section 78o-3 of Title 15.]

## “SEC. 7. FILING DEPOSITORIES FOR INVESTMENT ADVISERS.

“(a) INVESTMENT ADVISERS.—[Amended section 80b-4 of Title 15.]

“(b) CONFORMING AMENDMENTS.—

“(1) INVESTMENT ADVISERS ACT OF 1940.—[Amended section 80b-3a of Title 15.]

“(2) NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996.—[Repealed provisions set out as a note under section 80b-10 of Title 15.]

## “SEC. 8. STATE INSURANCE AND SECURITIES JURISDICTION ON MILITARY INSTALLATIONS.

“(a) CLARIFICATION OF JURISDICTION.—Any provision of law, regulation, or order of a State with respect to regulating the business of insurance or securities shall apply to insurance or securities activities conducted on Federal land or facilities in the United States and abroad, including military installations, except to the extent that such law, regulation, or order—

“(1) directly conflicts with any applicable Federal law, regulation, or authorized directive; or

“(2) would not apply if such activity were conducted on State land.

“(b) PRIMARY STATE JURISDICTION.—To the extent that multiple State laws would otherwise apply pursuant to subsection (a) to an insurance or securities activity of an individual or entity on Federal land or facilities, the State having the primary duty to regulate such activity and the laws of which shall apply to such activity in the case of a conflict shall be—

“(1) the State within which the Federal land or facility is located; or

“(2) if the Federal land or facility is located outside of the United States, the State in which—

“(A) in the case of an individual engaged in the business of insurance, such individual has been issued a resident license;

“(B) in the case of an entity engaged in the business of insurance, such entity is domiciled;

“(C) in the case of an individual engaged in the offer or sale (or both) of securities, such individual is registered or required to be registered to do business or the person solicited by such individual resides; or

“(D) in the case of an entity engaged in the offer or sale (or both) of securities, such entity is registered or is required to be registered to do business or the person solicited by such entity resides.

“SEC. 9. REQUIRED DEVELOPMENT OF MILITARY PERSONNEL PROTECTION STANDARDS REGARDING INSURANCE SALES; ADMINISTRATIVE COORDINATION.

“(a) STATE STANDARDS.—Congress intends that—

“(1) the States collectively work with the Secretary of Defense to ensure implementation of appropriate standards to protect members of the Armed Forces from dishonest and predatory insurance sales practices while on a military installation of the United States (including installations located outside of the United States); and

“(2) each State identify its role in promoting the standards described in paragraph (1) in a uniform manner, not later than 12 months after the date of enactment of this Act [Sept. 29, 2006].

“(b) STATE REPORT.—It is the sense of Congress that the NAIC should, after consultation with the Secretary of Defense and, not later than 12 months after the date of enactment of this Act, conduct a study to determine the extent to which the States have met the requirement of subsection (a), and report the results of such study to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

“(c) ADMINISTRATIVE COORDINATION; SENSE OF CONGRESS.—It is the sense of the Congress that senior representatives of the Secretary of Defense, the Securities and Exchange Commission, and the NAIC should meet not less frequently than twice a year to coordinate their activities to implement this Act and monitor the enforcement of relevant regulations relating to the sale of financial products on military installations of the United States.

“SEC. 10. REQUIRED DISCLOSURES REGARDING LIFE INSURANCE PRODUCTS.

“(a) REQUIREMENT.—Except as provided in subsection (e), no person may sell, or offer for sale, any life insurance product to any member of the Armed Forces or a dependent thereof on a military installation of the United States, unless a disclosure in accordance with this section is provided to such member or dependent at the time of the sale or offer.

“(b) DISCLOSURE.—A disclosure in accordance with this section is a written disclosure that—

“(1) states that subsidized life insurance is available to the member of the Armed Forces from the Federal Government under the Servicemembers’ Group Life Insurance program (also referred to as ‘SGLI’), under subchapter III of chapter 19 of title 38, United States Code;

“(2) states the amount of insurance coverage available under the SGLI program, together with the costs to the member of the Armed Forces for such coverage;

“(3) states that the life insurance product that is the subject of the disclosure is not offered or provided by the Federal Government, and that the Federal Government has in no way sanctioned, recommended, or encouraged the sale of the life insurance product being offered;

“(4) fully discloses any terms and circumstances under which amounts accumulated in a savings fund or savings feature under the life insurance product that is the subject of the disclosure may be diverted

to pay, or reduced to offset, premiums due for continuation of coverage under such product;

“(5) states that no person has received any referral fee or incentive compensation in connection with the offer or sale of the life insurance product, unless such person is a licensed agent of the person engaged in the business of insurance that is issuing such product;

“(6) is made in plain and readily understandable language and in a type font at least as large as the font used for the majority of the solicitation material used with respect to or relating to the life insurance product; and

“(7) with respect to a sale or solicitation on Federal land or facilities located outside of the United States, lists the address and phone number at which consumer complaints are received by the State insurance commissioner for the State having the primary jurisdiction and duty to regulate the sale of such life insurance products pursuant to section 8.

“(c) VOIDABILITY.—The sale of a life insurance product in violation of this section shall be voidable from its inception, at the sole option of the member of the Armed Forces, or dependent thereof, as applicable, to whom the product was sold.

“(d) ENFORCEMENT.—If it is determined by a Federal or State agency, or in a final court proceeding, that any person has intentionally violated, or willfully disregarded the provisions of, this section, in addition to any other penalty under applicable Federal or State law, such person shall be prohibited from further engaging in the business of insurance with respect to employees of the Federal Government on Federal land, except—

“(1) with respect to existing policies; and

“(2) to the extent required by the Federal Government pursuant to previous commitments.

“(e) EXCEPTIONS.—This section shall not apply to any life insurance product specifically contracted by or through the Federal Government.

“SEC. 11. IMPROVING LIFE INSURANCE PRODUCT STANDARDS.

“(a) IN GENERAL.—It is the sense of Congress that the NAIC should, after consultation with the Secretary of Defense, and not later than 6 months after the date of enactment of this Act [Sept. 29, 2006], conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on—

“(1) ways of improving the quality of and sale of life insurance products sold on military installations of the United States, which may include—

“(A) limiting such sales authority to persons that are certified as meeting appropriate best practices procedures; and

“(B) creating standards for products specifically designed to meet the particular needs of members of the Armed Forces, regardless of the sales location; and

“(2) the extent to which life insurance products marketed to members of the Armed Forces comply with otherwise applicable provisions of State law.

“(b) CONDITIONAL GAO REPORT.—If the NAIC does not submit the report as described in subsection (a), the Comptroller General of the United States shall—

“(1) study any proposals that have been made to improve the quality of and sale of life insurance products sold on military installations of the United States; and

“(2) not later than 6 months after the expiration of the period referred to in subsection (a), submit a report on such proposals to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

“SEC. 12. REQUIRED REPORTING OF DISCIPLINARY ACTIONS.

“(a) REPORTING BY INSURERS.—Beginning 1 year after the date of enactment of this Act [Sept. 29, 2006], no in-

surer may enter into or renew a contractual relationship with any other person that sells or solicits the sale of any life insurance product on any military installation of the United States, unless the insurer has implemented a system to report to the State insurance commissioner of the State of domicile of the insurer and the State of residence of that other person—

“(1) any disciplinary action taken by any Federal or State government entity with respect to sales or solicitations of life insurance products on a military installation that the insurer knows, or in the exercise of due diligence should have known, to have been taken; and

“(2) any significant disciplinary action taken by the insurer with respect to sales or solicitations of life insurance products on a military installation of the United States.

“(b) REPORTING BY STATES.—It is the sense of Congress that, not later than 1 year after the date of enactment of this Act, the States should collectively implement a system to—

“(1) receive reports of disciplinary actions taken against persons that sell or solicit the sale of any life insurance product on any military installation of the United States by insurers or Federal or State government entities with respect to such sales or solicitations; and

“(2) disseminate such information to all other States and to the Secretary of Defense.

“(c) DEFINITION.—As used in this section, the term ‘insurer’ means a person engaged in the business of insurance.

“SEC. 13. REPORTING BARRED PERSONS SELLING INSURANCE OR SECURITIES.

“(a) ESTABLISHMENT.—The Secretary of Defense shall maintain a list of the name, address, and other appropriate information relating to persons engaged in the business of securities or insurance that have been barred or otherwise limited in any manner that is not generally applicable to all such type of persons, from any or all military installations of the United States, or that have engaged in any transaction that is prohibited by this Act.

“(b) NOTICE AND ACCESS.—The Secretary of Defense shall ensure that—

“(1) the appropriate Federal and State agencies responsible for securities and insurance regulation are promptly notified upon the inclusion in or removal from the list required by subsection (a) of a person under the jurisdiction of one or more of such agencies; and

“(2) the list is kept current and easily accessible—

“(A) for use by such agencies; and

“(B) for purposes of enforcing or considering any such bar or limitation by the appropriate Federal personnel, including commanders of military installations.

“(c) REGULATIONS.—

“(1) IN GENERAL.—The Secretary of Defense shall issue regulations in accordance with this subsection to provide for the establishment and maintenance of the list required by this section, including appropriate due process considerations.

“(2) TIMING.—

“(A) PROPOSED REGULATIONS.—Not later than the expiration of the 60-day period beginning on the date of enactment of this Act [Sept. 29, 2006], the Secretary of Defense shall prepare and submit to the appropriate Committees of Congress a copy of the regulations required by this subsection that are proposed to be published for comment. The Secretary may not publish such regulations for comment in the Federal Register until the expiration of the 15-day period beginning on the date of such submission to the appropriate Committees of Congress.

“(B) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit to the appropriate Committees of Congress a copy of the regulations under this section to be published in final form.

“(C) EFFECTIVE DATE.—Final regulations under this paragraph shall become effective 30 days after the date of their submission to the appropriate Committees of Congress under subparagraph (B).

“(d) DEFINITION.—For purposes of this section, the term ‘appropriate Committees of Congress’ means—

“(1) the Committee on Financial Services and the Committee on Armed Services of the House of Representatives; and

“(2) the Committee on Banking, Housing, and Urban Affairs and the Committee on Armed Services of the Senate.

“SEC. 14. STUDY AND REPORTS BY INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE.

“(a) STUDY.—The Inspector General of the Department of Defense shall conduct a study on the impact of Department of Defense Instruction 1344.07 (as in effect on the date of enactment of this Act [Sept. 29, 2006]) and the reforms included in this Act on the quality and suitability of sales of securities and insurance products marketed or otherwise offered to members of the Armed Forces.

“(b) REPORTS.—Not later than 12 months after the date of enactment of this Act, the Inspector General of the Department of Defense shall submit an initial report on the results of the study conducted under subsection (a) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, and shall submit followup reports to those committees on December 31, 2008 and December 31, 2010.”

REQUIREMENT FOR REGULATIONS ON POLICIES AND PROCEDURES ON PERSONAL COMMERCIAL SOLICITATIONS ON DEPARTMENT OF DEFENSE INSTALLATIONS

Pub. L. 109-163, div. A, title V, §577(a), Jan. 6, 2006, 119 Stat. 3274, provided that: “As soon as practicable after the date of the enactment of this Act [Jan. 6, 2006], and not later than March 31, 2006, the Secretary of Defense shall prescribe regulations, or modify existing regulations, on the policies and procedures relating to personal commercial solicitations, including the sale of life insurance and securities, on Department of Defense installations.”

**CHAPTER 51—RESERVE COMPONENTS: STANDARDS AND PROCEDURES FOR RETENTION AND PROMOTION**

Sec.

1001. Reference to chapter 1219.

AMENDMENTS

1994—Pub. L. 103-337, div. A, title XVI, §1662(h)(5), Oct. 5, 1994, 108 Stat. 2997, added item 1001 and struck out former items 1001 to 1007.

1960—Pub. L. 86-559, §1(3)(C), June 30, 1960, 74 Stat. 265, inserted “or serving as United States property and fiscal officers” in item 1007.

1958—Pub. L. 85-861, §1(23), Sept. 2, 1958, 72 Stat. 1445, added items 1002, 1005, 1006, and 1007.

**§ 1001. Reference to chapter 1219**

Provisions of law relating to standards and procedures for retention and promotion of members of reserve components are set forth in chapter 1219 of this title (beginning with section 12641).

(Added Pub. L. 103-337, div. A, title XVI, §1662(h)(5), Oct. 5, 1994, 108 Stat. 2997.)

PRIOR PROVISIONS

Prior sections 1001 and 1002 were renumbered sections 12641 and 12642 of this title, respectively.

A prior section 1003, act Aug. 10, 1956, ch. 1041, 70A Stat. 79, related to age limitations for reserve officers,