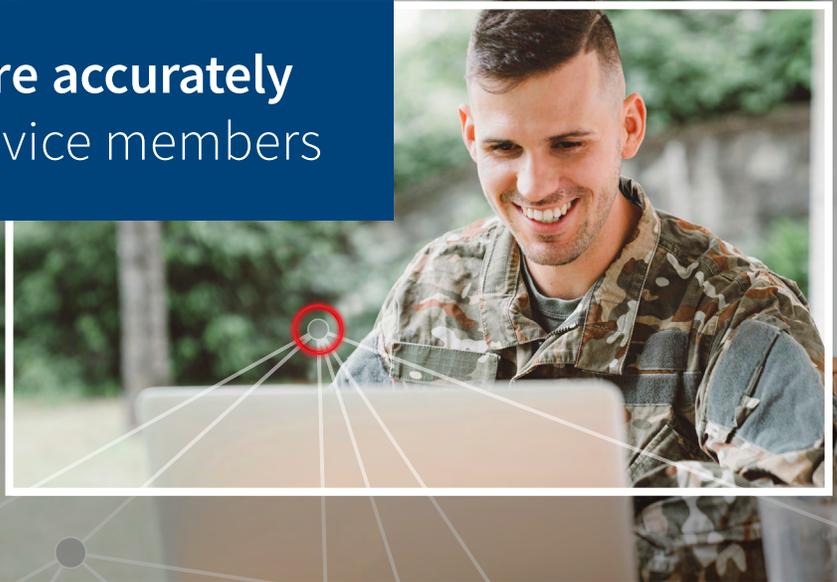# LexisNexis® RISK SOLUTIONS

Overcome AKAs to **more accurately identify** active-duty service members

It is not always easy to do, but identifying active-duty service members is vital

Members of the armed services on active duty are afforded additional consumer protections by virtue of their service, as part of the Servicemembers Civil Relief Act (SCRA). This means rental agencies, credit card companies and lending institutions must comply with the SCRA or risk substantial penalties.

According to the U.S. Department of Justice, servicemembers are most interested in the following provisions of SCRA:[1]

- Capping interest rates on pre-service loans at 6%

- Protection against defaults in civil proceedings

- Protection against home foreclosure

- Protection against property repossession

- Penalty-free termination of housing and automotive leases

850,000
active-duty military personnel in the United States as of 2022.

Matching consumer identities to information from the U.S. Department of Defense Database (DOD), also known as the Defense Manpower Database, requires database access and know how.

Consumer data is not always consistent or reliable. Normal practices—like addressing someone by a shortened version of their name or having a common also known as (AKA)—could lead to misidentification of consumers who are entitled to special protections.

LexisNexis® Military Status can remedy this. This decisioning solution leverages superior linking capabilities to take AKA names across a customer portfolio and compare them against DOD information to identify potential active-duty servicemembers.

This helps active-duty servicemembers receive the benefits guaranteed by the SCRA, such as a 6% cap on interest rates. It also helps lenders remain SCRA-compliant, which means fewer resources are wasted on regulatory concerns or lawsuits.

LexisNexis® Military Status can improve resource allocation for lenders who need to remain SCRA-compliant.

LexisNexis® Military Status can help your business:

- *Segment portfolios via active-duty identification*
- *Inform servicing strategies based on active-duty members*
- *Accelerate SCRA-required due diligence*
- *Simplify consumer processing with individual SCRA certificates*
- *Reduce risk from potential non-compliance*
- *Clean your collections portfolio to avoid adverse action*

What adverse action can your business face by failing to comply with SCRA?

If a business violates SCRA guidelines, they can face U.S. Department of Justice enforcement. Actions like charging more than 6% interest or initiating a repossession incur a $55,000 fine as a first offense. Continued noncompliance brings the penalty to $110,000.

A failure to execute due diligence around military status could lead to millions of dollars in penalties, with the additional possibility of damaging lawsuits.[2]

Looking to stay ahead of compliance concerns and avoid fines involving active-duty servicemember customers?

Explore how LexisNexis Military Status can help by contacting your LexisNexis® Risk Solutions representative at risk.lexisnexis.com/militarystatus

Sources:
1. https://www.consumerfinance.gov/consumer-tools/educator-tools/servicemembers/the-servicemembers-civil-relief-act-scra/#1
2. https://www.canopyservicing.com/blog/scra-checklist/

About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit LexisNexis Risk Solutions and RELX.