



## Remove Forced Arbitration from SCRA and USERRA

**EANGUS urges the 118th Congress to amend the Servicemembers Civil Relief Act (SCRA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA) by removing forced arbitration.**

Removing forced arbitration is important legislation that will empower Servicemembers and their families against the practice of forced arbitration. This much too standard dispute process strips our Servicemembers of their rights under the Servicemembers Civil Relief Act (SCRA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA). Forced arbitration is a one-sided, non-transparent process in which Servicemembers have very little chance of achieving a favorable outcome when their rights and protections set forth under these federal laws are violated.

In 1994, Congress passed USERRA, a bipartisan law protecting Servicemembers from employment discrimination based on their military obligations. Unfortunately, due to forced arbitration clauses in employment contracts, servicemembers must give up their USERRA rights to get or keep a job. Thus, when an employer violates USERRA, Servicemembers cannot hold the employer publicly accountable.

The Servicemember Civil Relief Act (SCRA), a bipartisan law enacted in 2003, was intended to provide financial and legal protections for active-duty servicemembers and their families. Servicemembers often face significant burdens that the civilian world does not, such as limited access to the internet or banking services while deployed. These factors make our military personnel vulnerable to predatory lending schemes, unscrupulous financial practices, and identity theft. In 2012, the GAO identified fewer than 15,000 financial institutions failing to reduce mortgage interest rates for Servicemembers who qualified adequately. In addition, the GAO determined that over 300 illegal foreclosures occur yearly in violation of SCRA. The perpetrators of these unlawful violations are not being held accountable as they hide behind forced arbitration clauses.

Servicemembers need their legal protections restored without delay, not another study to show what they already know—that forced arbitration hurts them and their families and renders rights granted by SCRA and USERRA virtually meaningless. H.R. 2196, *Justice for Servicemembers Act*, introduced during the 117<sup>th</sup> Congress, would have restored their ability to enforce USERRA and SCRA and hold wrongdoers accountable. EANGUS supported this bill and strongly advocated for it to be lawfully passed.

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