involuntary allotment application, and give written notice to the applicant of the reason(s) for denial, if the designated DFAS official determines that:

(1) There has not been compliance with the procedural requirements of the Soldier's and Sailor's Civil Relief Act of 1940, as amended (50 U.S.C. appendix sections 501–591) during the judicial proceeding upon which the involuntary allotment application is sought.

(2) Information in the application is patently false or erroneous in material

(3) The judgment has been fully satisfied, superseded, or set aside.

- (4) The judgment has been materially amended, or partially satisfied. In such a case, the request for involuntary allotment may be approved only to satisfy that portion of the judgment that remains in effect and unsatisfied; the remainder of the request shall be denied.
- (5) There is a legal impediment to the establishment of the involuntary allotment (for example, the judgment debt has been discharged in bankruptcy, the judgment debtor has filed for protection from the creditors under the bankruptcy laws of the United States, the applicant is not the judgment creditor nor a proper successor in interest to that creditor, or the applicant has been enjoined by a Federal or State court from enforcing the judgment debt).
- (6) The member's pay is already subject to one or more involuntary allotments or garnishments that equal the lesser of 25 percent of the member's pay subject to involuntary allotment or the maximum percentage of pay subject to garnishment proceedings under the applicable State law.

(7) The applicant has abused the processing privilege (e.g., an applicant, having been notified of the requirements of this part, repeatedly refuses or fails to

comply therewith).

(8) Or other appropriate reasons that must be clearly explained to the

applicant.

(D) In all cases other than as described in § 113.6(b)(2)(v) (A) and (C), the designated DFAS official shall approve the involuntary allotment application and establish an involuntary allotment against the pay subject to involuntary

allotment of the member.

(vi) The designated DFAS official shall, at any time after establishing an involuntary allotment, cancel or suspend such allotment and notify the applicant of that cancellation if the member concerned, or someone acting on his or her behalf, submits legally sufficient proof, by affidavit or otherwise, that the allotment should not continue because of the existence of the factors enumerated in  $\S 113.6(b)(2)(v)(A)$ and (C)(1)-(8).

(3) Payments

(i) Payment of an approved involuntary allotment under 32 CFR part 112 and this part shall commence within 30 days after the designated DFAS official has approved the involuntary allotment.

(ii) Payments under this part shall not be required more frequently than once each month, and the designated official shall not be required to vary normal pay

and disbursement cycles.

(iii) If the designated DFAS official receives several applications on the same member of a Military Service, payments shall be satisfied on a firstcome, first-served basis.

(iv) Payments shall continue until the judgment is satisfied or until canceled

or suspended.

- (A) DFAS shall collect the total judgment, including interest when awarded by the judgment. Within 30 days following collection of the amount of the judgment, including interest as annotated by the applicant in Section I of DD Form 2654, the applicant may submit a final statement of interest that accrued during the pay-off period. This final statement of interest request must be accompanied by a statement of account showing how the applicant computed the interest amount. DFAS will collect this post-application interest provided it is an amount owed pursuant to the judgment. DFAS shall not accept any further interest requests.
- (B) Interest or other costs associated with the debt forming the basis for the judgment, but not included as an amount awarded by the judgment, shall not be paid to applicants for involuntary allotments.
- (v) If the member is found not to be entitled to money due from or payable by the Military Services, the designated official shall return the application and advise the applicant that no money is due from or payable by the Military Service to the member. When it appears that pay subject to an involuntary allotment is exhausted temporarily or otherwise unavailable, the applicant shall be told why and for how long that money is unavailable, if known. Involuntary allotments shall be canceled on or before the date a member retires. is discharged, or is released from active duty. The designated DFAS official shall notify the applicant of the reason for cancellation.
- (vi) Upon receiving notice from an applicant that a judgment upon which an involuntary allotment is based has been satisfied, vacated, modified, or set aside, the designated DFAS official shall

promptly adjust or discontinue the involuntary allotment.

(vii) The Under Secretary of Defense (Comptroller) may, in DoD 7000.14-R4 Volume 7, Part A, designate the priority to be given to involuntary allotments pursuant to 32 CFR part 112 and this part, among the deductions and collections taken from a member's pay, except that they may not give precedence over deductions required to arrive at a member's disposable pay for garnishments or involuntary allotments authorized by statute for alimony and child support payments. In the absence of a contrary designation by the Comptroller, all other lawful deductions (except voluntary allotments by the member) and collections shall take precedence over these involuntary allotments.

## Appendix A to Part 113—Certificate of Compliance

extending credit
to
on
(Date)
complied with the full disclosure
requirements of the Truth-in-Lending Act
and Regulation Z, and the Fair Debt
Collection Practices Act (or the laws and
regulations of State of
and that the attached statement is a true copy
of the general and specific disclosures
provided the obligor as required by law.

I certify that the (Name of Creditor) upon

I further certify that the Standards of Fairness set forth in DoD Directive 1344.91 have been applied to the consumer credit transaction to which this form refers. (If the unpaid balance has been adjusted as a consequence, the specific adjustments in the finance charge and the annual percentage

(Adjustments)	
(Date of Certification)	
(Signature of Creditor o Representative)	r Authorized

(City, State and Zip Code)

## Appendix B to Part 113—Standards of

1. No finance charge contracted for, made, or received under any contract shall be in excess of the charge that could be made for such contract under the law of the place in which the contract is signed in the United States by the military member.

<sup>&</sup>lt;sup>4</sup> See footnote 1 to § 113.3(b).

<sup>&</sup>lt;sup>1</sup> Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.