



## **Remove Forced Arbitration from SCRA and USERRA**

**The Enlisted Association of the National Guard of the United States (EANGUS), representing over 440,000 Guardsmen across the 50 states, three territories, and the District of Columbia urges 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 service members and their families against the practice of forced arbitration. This standard dispute process, when forced, strips our service members of their rights under the Servicemembers Civil Relief Act (SCRA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA). Arbitration when forced is a one-sided, non-transparent process in which service members 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 law protecting service members from employment discrimination based on their military obligations. Unfortunately, due to forced arbitration clauses in employment contracts, service members must give up their USERRA rights to get or keep a job. Thus, when an employer violates USERRA, service members cannot hold the employer publicly accountable.

In 2003, Congress furthered service member protections when the SCRA was enacted. This was intended to provide financial and legal protection for active duty service members and their families. Service members 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 at least 15,000 financial institutions failing to reduce mortgage interest rates for service members who qualified. In addition, the Government Accountability Office (GAO) determined that over 300 illegal foreclosures occur yearly in violation of the SCRA. The perpetrators of these unlawful violations are not being held accountable as they hide behind forced arbitration clauses.

Service members need their legal protections restored without delay, not another study to show that forced arbitration hurts them and their families and renders rights granted by SCRA and USERRA virtually meaningless. H.R. 5125, End Servicemember Forced Arbitration Act, introduced during the 118th Congress, will restore their ability to enforce USERRA and SCRA rights and hold wrongdoers accountable. EANGUS supports this legislation and strongly advocates for it to be lawfully passed.

For more information regarding this issue or any other issues concerning the National Guard, contact the EANGUS legislative team at [legislative@eangus.org](mailto:legislative@eangus.org).