



DoD INSTRUCTION 1344.09

INDEBTEDNESS OF MILITARY PERSONNEL

Originating Component:	Office of the Under Secretary of Defense for Personnel and Readiness
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Approved by:	Gilbert R. Cisneros, Jr., Under Secretary of Defense for Personnel and Readiness

Purpose: In accordance with the authority in DoD Directive 5124.02, this issuance:

- Establishes policies and assigns responsibilities governing delinquent indebtedness of Service members.
- Prescribes procedures for processing involuntary allotments from the pay of Service members to satisfy judgment indebtedness in accordance with Section 5520a(k) of Title 5, United States Code (U.S.C.).
- Implements Section 5520a(k) of Title 5, U.S.C., Section 1601 et al. of Title 15, U.S.C., also known as the "Truth in Lending Act," and Section 1692 of Title 15, U.S.C., also known and referred to in this issuance as the "Fair Debt Collection Practices Act (FDCPA)."

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance:

a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

b. Does not apply to:

(1) Indebtedness of a Service member to the Federal Government.

(2) Processing of indebtedness claims to enforce judgment against Service members for alimony or child support. Legal processes instituted in civil courts to enforce judgments against Service members for the payment of alimony or child support will be acted on pursuant to Sections 651 through 669b of Title 42, U.S.C., and Volume 7A of DoD 7000.14-R.

(3) Claims by State or municipal governments, including tax collection actions.

1.2. POLICY.

a. Service members are expected to pay their just financial obligations in a proper and timely manner.

b. A Service member’s failure to pay a just financial obligation may result in a claim or an appropriate disciplinary action in accordance with Chapter 47 of Title 10, U.S.C., also known and referred to as the “Uniform Code of Military Justice.”

c. Involuntary allotments pursuant to Section 5520a(k) of Title 5, U.S.C., will be established in accordance with this issuance.

d. Whenever possible, indebtedness disputes should be resolved through amicable means.

SECTION 2: RESPONSIBILITIES

2.1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)).

The USD(P&R):

- a. In consultation with the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense (USD(C)/CFO), and consistent with the procedures in Section 3 of this issuance, establishes procedures for processing debt complaints.
- b. Oversees policy on the assistance to be provided by military authorities to creditors of Service members who have legitimate debt complaints.

2.2. USD(C)/CFO.

The USD(C)/CFO:

- a. In consultation with the USD(P&R), establishes procedures for processing debt complaints and administers and processes involuntary allotments from the pay of Service members. This includes the authority to issue forms necessary for the efficient administration and processing of involuntary allotments.
- b. Ensures that the Director, Defense Finance and Accounting Service:
 - (1) Implements procedures established by the USD(P&R) and the USD(C)/CFO.
 - (2) Considers whether Sections 3901 through 4042 of Title 50, U.S.C., also known and referred to in this issuance as the “Servicemembers Civil Relief Act,” have been complied with pursuant to Section 5520a(k) of Title 5, U.S.C., before establishing an involuntary allotment against the pay of a Service member.
 - (3) Updates systems or publishes, prints, stocks, redistributes, and revises DoD forms necessary to process involuntary allotments.

2.3. DOD COMPONENTS HEADS.

The DoD Component heads will urge Service members to meet their just financial obligations, since failure to do so damages their credit reputation, reduces their individual readiness, and affects the public image of all DoD personnel.

2.4. SECRETARIES OF THE MILITARY DEPARTMENTS.

In addition to the responsibilities in Paragraph 2.3 of this issuance, the Secretaries of the Military Departments:

a. Establish, as necessary, procedures to administer and process involuntary allotments from the pay of Service members. This includes:

(1) Designating those commanders who will be responsible for determining whether a member's absence from a judicial proceeding was caused by exigencies of military duty.

(2) Establishing appeal procedures regarding such determinations.

b. Require commanders to counsel Service members to pay their just debts, and offer financial literacy training as required by Section 992 of Title 10, U.S.C., DoD Instruction 1322.31, and DoD Instruction 1322.34.

c. Emphasize prompt command action to assist with the processing of involuntary allotment applications.

SECTION 3: PROCEDURES

3.1. PROCESSING OF DEBT COMPLAINTS.

- a. Commanders will facilitate the prompt processing of debt complaints meeting the requirements of this issuance and any procedures established by USD(P&R).
- b. Assistance in indebtedness matters will not be extended to those creditors:
 - (1) Who have not made a bona fide effort to collect the debt directly from the Service member;
 - (2) Whose claims are patently false and misleading; or
 - (3) Whose claims exceed applicable legally permissible interest rates at the time of borrowing.
- c. Some States, Washington, D.C., Commonwealths, or U.S. territories may have enacted laws prohibiting creditors from contacting a debtor's employer about indebtedness or communicating facts on indebtedness to an employer unless certain conditions are met. The conditions that must be met to remove this prohibition are generally such things as reduction of a debt to judgment or obtaining written permission of the debtor.
 - (1) At DoD installations in States, Washington, D.C., Commonwealths, and U.S. territories having such laws, the processing of debt complaints will not be extended to those creditors who are in violation of the law. Commanders may advise creditors that this rule has been established because it is the general policy of the Military Departments to comply with State, Washington, D.C., Commonwealth, and U.S. territory law when that law does not infringe upon significant military interests.
 - (2) The guidance in Paragraph 3.1.c.(1) of this issuance will govern even though a creditor is not licensed to do business in the State, Washington, D.C., Commonwealth, or U.S. territory where the debtor is located.
 - (3) Pursuant to the FDCPA, contact by a debt collector with third parties, such as commanding officers, for aiding debt collection is prohibited without a court order or the debtor's prior consent given directly to the debt collector. Creditors are generally exempt from the FDCPA, but only when they collect on their own behalf.
- d. Commanders should consult with legal advisors, as necessary, on the application of State, Washington, D.C., Commonwealth, or U.S. territory law and compliance with the FDCPA for any debt complaint action before providing assistance to creditors.

3.2. PROCESSING OF INVOLUNTARY ALLOTMENTS.

Pursuant to Section 5520a(k) of Title 5, U.S.C., in cases where the indebtedness of a Service member has been reduced to a judgment, an application for an involuntary allotment from the Service member's pay may be made under procedures prescribed by the USD(C)/CFO in Volume 7a of DoD 7000.14-R. Such procedures, which include an appeals process if applicable, will provide the exclusive remedy available.

GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
D.C.	District of Columbia
FDCPA	Fair Debt Collection Practices Act
U.S.C.	United States Code
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

G.2. DEFINITIONS.

These terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
absence	A Service member’s lack of an “appearance” at any stage of the judicial process as evidenced by failing to physically attend court proceedings, failing to be represented at court proceedings by counsel of the Service member’s choosing, or failing to respond in a timely manner to pleadings, orders, or motions.
court	A court of competent jurisdiction within any State, Washington, D.C., Commonwealth, or U.S. territory, or possession of the United States.
debt collector	An agency or agent engaged in the collection of debts described under the FDCPA.
exigencies of military duty	A military assignment or mission-essential duty that, because of its urgency, importance, duration, location, or isolation, necessitates the absence of a Service member from appearing at a judicial proceeding or prevents the Service member from being able to respond to a notice of application for an involuntary allotment. Exigency of military duty is normally presumed during periods of war, national emergency, or when the Service member is deployed.
judgment	A valid, enforceable order or decree by a court from which no appeal may be taken, no appeal has been taken within the time allowed, or an appeal has been taken and finally decided. The judgment must award a certain amount and specify that the amount is to be paid by

TERM

DEFINITION

an individual who, at the time of application for the involuntary allotment, is a Service member.

just financial obligation

A legal debt acknowledged by the Service member in which there is no reasonable dispute as to the facts or the law; or one reduced to judgment that conforms to the Servicemembers Civil Relief Act, if applicable.

Service member

Any member of the Regular Army, Air Force, Navy, Marine Corps, or Space Force, and any member of a Reserve Component of the Army, Air Force, Navy, Marine Corps, or Space Force (including the Army National Guard of the United States and the Air National Guard of the United States), on active duty pursuant to a call or order for a period in excess of 180 days at the time an application for involuntary allotment is received by the Director, Defense Finance and Accounting Service.

The following will not be considered Service members due to their particular status and the respective impacts on pay and allowances authorities:

- Retired personnel, including those placed on the temporary or permanent disabled retired list; and,
- Personnel in a prisoner-of-war or missing-in-action status, as determined by the Secretary of the Military Department concerned, as their pay and allowances are not administered by DoD.

REFERENCES

- DoD 7000.14-R, Volume 7A, “Military Pay Policy – Active Duty and Reserve Pay,” current edition
- DoD Instruction 1322.31, “Common Military Training (CMT),” February 20, 2020
- DoD Instruction 1322.34, “Financial Readiness of Service Members,” November 5, 2021
- DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- United States Code, Title 5, Section 5520a(k)
- United States Code, Title 10
- United States Code, Title 15
- United States Code, Title 42, Sections 651 through 669b
- United States Code, Title 50, Sections 3901 through 4042 (also known as the “Servicemembers Civil Relief Act”)