



DCUC
DEFENSE CREDIT UNION COUNCIL

1627 Eye St, NW
Suite 935
Washington, DC 20006

202.734.5007
www.dcuc.org

Jason Stverak
Chief Advocacy Officer

February 18, 2025

The Honorable Dr. Bill Cassidy
Chairman
Health, Education, Labor & Pensions Committee
United States Senate
Washington, DC 20510

The Honorable Bernie Sanders
Ranking Member
Health, Education, Labor & Pensions Committee
United States Senate
Washington, DC 20510

Subject: Consideration of the Nomination of Lori Chavez-DeRemer as Secretary of Labor

Dear Chairman Cassidy and Ranking Member Sanders,

On behalf of the Defense Credit Union Council (DCUC) and our member credit unions that serve military personnel, veterans, and their families, I write to highlight critical labor and regulatory issues that affect the financial services industry, particularly credit unions. As the Committee evaluates the nomination of Lori Chavez-DeRemer as Secretary of Labor, we urge you to consider the impact of labor policies on defense credit unions and their ability to serve those who serve our nation. DCUC represents credit unions stateside and overseas serving military and veteran communities as well as their families, encompassing over 40 million members and having over \$525 billion in assets.

Key Issues and Their Impact on Defense Credit Unions

1. Overtime and Wage Regulations

The Department of Labor (DOL) is responsible for Fair Labor Standards Act (FLSA) overtime rules, which impact credit unions' operational costs.

A proposed increase in the salary threshold for overtime exemptions could disproportionately burden smaller credit unions serving military installations, forcing them to reduce services or staffing.

Recommendation: Implement a phased-in approach for salary threshold adjustments, with exemptions for small and defense-focused credit unions to maintain financial readiness services.

2. Employee Benefits & Retirement Plan Fiduciary Responsibilities (ERISA)

The Employee Retirement Income Security Act (ERISA) governs retirement plans, including those offered by defense credit unions to their employees.

Changes to fiduciary duties or expanded DOL oversight could increase compliance burdens, diverting resources from member services.

Recommendation: Provide regulatory relief for credit unions offering retirement plans and maintain flexibility for employers managing Thrift Savings Plan (TSP) education and military retirement transition assistance.

Serving Those Who Serve Our Country

3. Unionization & NLRB Oversight

Defense credit unions operate on military bases under the “one bank, one credit union” policy and must comply with DOD labor requirements.

Increased unionization efforts and regulatory uncertainty from the National Labor Relations Board (NLRB) could complicate credit unions’ ability to hire and retain personnel, particularly on military installations.

Recommendation: Ensure that credit unions serving military personnel are not subjected to the same unionization mandates as commercial entities that do not operate within national security-sensitive environments.

4. Workforce Development and Financial Literacy

The DOL plays a role in financial literacy and workforce training programs, which are crucial for transitioning service members and veterans.

Credit unions are uniquely positioned to provide financial counseling and lending services for transitioning military personnel, yet current workforce programs lack coordination with credit unions.

Recommendation: Expand DOL partnerships with defense credit unions to enhance financial readiness education for military personnel, veterans, and their families.

5. Independent Contractor vs. Employee Classification

Many credit unions rely on independent mortgage originators, IT consultants, and compliance specialists to serve members.

The DOL’s ongoing rulemaking on worker classification could limit credit unions’ ability to use independent contractors, increasing costs and reducing service availability.

Recommendation: Maintain flexibility in classification standards for financial institutions that rely on external professionals for specialized services.

Impact on DCUC Advocacy Priorities

The Defense Credit Union Council is committed to ensuring credit unions remain mission-focused on serving military members and veterans. The Department of Labor’s regulatory decisions directly impact our ability to:

Preserve the “one bank, one credit union” policy on military installations.

Prevent unnecessary regulatory burdens that divert resources from member service.

Enhance financial literacy and readiness programs for transitioning service members.

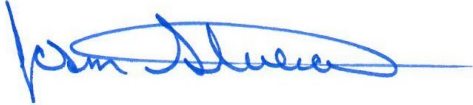
Support veteran business lending and employment opportunities through credit union partnerships.

Defense credit unions play a critical role in financial readiness for military families, veterans, and Department of Defense personnel. As you consider the nomination of Lori Chavez-DeRemer as Secretary of Labor, we urge the Committee to ensure that the DOL's policies recognize the unique role of credit unions in supporting national security, financial readiness, and workforce development.

We appreciate your attention to these issues and welcome the opportunity to discuss further how credit unions can work with the Department of Labor to enhance financial well-being for our nation's service members.

Should you or your team have any questions or desire additional information, please do not hesitate to contact me at 202.557.8528 or by email at jstverak@dcuc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Stverak", with a long horizontal flourish extending to the right.

Jason Stverak
Chief Advocacy Officer
DCUC

CC: Senate Health, Education, Labor & Pensions Committee Members