



**DCUC**  
DEFENSE CREDIT UNION COUNCIL

1627 Eye St, NW  
Suite 935  
Washington, DC 20006

202.734.5007  
www.d cuc.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: Nomination of Linda McMahon as Secretary of Education**

Dear Chairman Cassidy and Ranking Member Sanders,

On behalf of the Defense Credit Union Council (DCUC), representing credit unions that proudly serve our nation's military and veteran communities, I write to express our perspective on the nomination of Linda McMahon as Secretary of Education. The Department of Education plays a critical role in shaping policies that impact financial education, student lending, and service member protections—issues central to DCUC's mission and the financial well-being of those who serve our country. 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 Considerations for the Department of Education and Credit Unions

**1. Financial Readiness and Education**

Financial literacy is essential for the economic well-being of service members, veterans, and their families. Inconsistent implementation of financial education in K-12 and higher education leaves many young individuals unprepared for managing personal finances, loans, and credit.

DCUC's Solution:

DCUC urges the nominee to prioritize financial literacy programs tailored to military families by:

- *Establishing Partnerships*: Collaborate with financial institutions, including credit unions, to integrate financial literacy into school curricula, especially in military communities.
- *Promoting Department of Defense-Endorsed Programs*: Enable credit unions to deliver trusted financial education on military bases, ensuring service members receive high-quality guidance.
- *Expanding Digital Resources*: Provide access to digital tools covering topics like responsible borrowing, credit management, and savings strategies.

## Case Study: Redstone Federal Credit Union's Schools Program

**Redstone Federal Credit Union (RFCU)**, a DCUC member, exemplifies the positive impact of integrating credit unions into educational settings. Since 2017, RFCU has established student-run branches in eight high schools and three colleges/universities across Alabama and Tennessee. These branches are fully operated by students, offering them real-world work experience, improved financial literacy, and earnings during training. The program has engaged 223 high school students, 22 teachers, and 38 college students, providing practical financial education and work experience. Additionally, graduating seniors involved in the program are eligible for \$2,000 scholarships, with \$52,000 awarded since 2017. Schools benefit financially through specially designed debit cards that generate funds with each use, contributing over \$742,000 to educational partners.

### 2. Student Loan Policies and Their Impact on Military Families

Military families often rely on student loans, and complex policies governing deferment, forgiveness, and repayment can create barriers to financial relief. Programs like the Public Service Loan Forgiveness (PSLF) have faced inefficiencies, limiting accessibility for service members and their families.

DCUC's Solution:

To support military families, DCUC recommends that the nominee:

- *Streamline PSLF*: Reduce administrative hurdles to ensure service members receive entitled benefits.
- *Expand Automatic Eligibility*: Include all active-duty military personnel and their spouses in PSLF, acknowledging their unique sacrifices.
- *Enhance Oversight*: Improve transparency of federal loan servicers to prevent misinformation and ensure accurate guidance on repayment and forgiveness options.
- *Develop Spousal Support Programs*: Create loan repayment assistance for military spouses affected by relocations and employment disruptions.

### 3. Impact of Department of Education Policies on Credit Unions

Credit unions are vital in offering responsible student loans and financial counseling to military families. However, overregulation and restrictive policies can hinder their participation in student lending, reducing borrower options.

DCUC's Solution:

To enable credit unions to serve military families effectively, DCUC encourages the nominee to:

- *Collaborate with Regulatory Bodies*: Work with the National Credit Union Administration (NCUA) and Congress to provide regulatory flexibility, reducing compliance costs without compromising consumer protections.
- *Expand Refinancing Roles*: Allow credit unions to participate more broadly in student loan refinancing, offering service members fair and transparent debt management options.
- *Ensure Equitable Policies*: Recognize credit unions as key partners in financial education and lending, ensuring new policies do not disadvantage them compared to larger institutions.

#### 4. Protection from Predatory Financial Practices

Predatory lenders often target military personnel and their families, especially in student lending and alternative financial services. Gaps in oversight and enforcement leave many vulnerable to exploitation.

DCUC's Solution:

To combat predatory practices, DCUC urges the nominee to:

- *Strengthen Oversight*: Enforce regulations against deceptive marketing and recruiting tactics by for-profit educational institutions targeting military personnel.
- *Collaborate with Consumer Protection Agencies*: Work with the Consumer Financial Protection Bureau (CFPB) and the Department of Defense to enhance protections for military student borrowers.
- *Empower Informed Decisions*: Support initiatives that provide financial counseling through credit unions and military support organizations, enabling military families to make informed borrowing choices.

DCUC appreciates the committee's diligence in evaluating this nomination and urges members to seek clarity on the nominee's positions regarding financial literacy, student lending regulations, and the role of credit unions in serving military families. We look forward to collaborating with the Department of Education to support policies that enhance financial readiness and protect the well-being of our nation's service members and veterans.

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](mailto:jstverak@dcuc.org).

Sincerely,



Jason Stverak  
Chief Advocacy Officer  
DCUC

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