



**DCUC**  
DEFENSE CREDIT UNION COUNCIL

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**Jason Stverak**  
*Chief Advocacy Officer*

November 18, 2024

Director Rohit Chopra  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Dear Director Chopra,

The Defense Credit Union Council (DCUC) appreciates your leadership in safeguarding consumers and ensuring equitable treatment across the financial services industry. As representatives of defense credit unions that serve military service members, veterans, and their families, we write to address your recent proposal regarding expanded deposit insurance coverage. We respectfully urge that any expansion of deposit insurance coverage maintain parity in flexibility and requirements between banks and credit unions to reflect the historical and equitable approach to consumer protection in the financial sector, including the option of private deposit insurance that some credit unions decide to utilize.

Credit unions have a long history of providing federally insured deposits to their members through the National Credit Union Share Insurance Fund (NCUSIF), which is administered by the National Credit Union Administration (NCUA). Established in 1970, the NCUSIF was modeled after the Federal Deposit Insurance Corporation (FDIC) to ensure parity and public confidence in credit unions' ability to safeguard members' deposits. Since then, the NCUSIF has consistently mirrored FDIC insurance coverage levels and protections.

Like the FDIC, the NCUSIF is funded by its insured entities, not taxpayers. Credit unions contribute 1% of their insured shares to the fund, and the NCUSIF maintains strict capitalization and risk management standards. In fact, during the 2008 financial crisis and the COVID-19 pandemic, both the FDIC and NCUSIF demonstrated resilience and provided consumers with uninterrupted deposit protection. These shared principles underscore the importance of equal treatment in any future regulatory or legislative changes to deposit insurance.

Your desire to expand deposit insurance coverage is a significant step toward enhancing consumer confidence and financial stability. However, it is imperative that this expansion be applied consistently across banks and credit unions. Credit unions already adhere to rigorous regulatory standards under the NCUA, which align with those of the FDIC. Any additional requirements must account for the unique cooperative structure of credit unions while ensuring no competitive disadvantage is imposed relative to banks.

*Serving Those Who Serve Our Country*

We respectfully emphasize the following points:

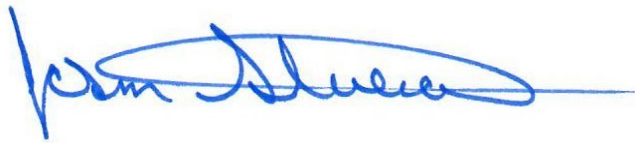
1. **Parity in Coverage Levels:** Historically, deposit insurance coverage levels under the NCUSIF and FDIC have been identical, ensuring equal consumer protection regardless of the financial institution chosen. This parity must be preserved in any expanded coverage framework.
2. **Flexibility in Implementation:** Credit unions often operate with leaner resources compared to large banks, but they deliver exceptional service and financial literacy education to their members. Expanded coverage requirements should allow credit unions the flexibility to implement changes without undue burden, particularly for smaller institutions.
3. **Acknowledgment of Cooperative Structure:** Unlike banks, credit unions are member-owned, not-for-profit institutions. Policies regarding expanded deposit insurance must reflect this distinction, ensuring that credit unions can continue serving their members effectively without compromising their mission.

Director Chopra, the Defense Credit Union Council stands ready to collaborate with agencies to ensure that expanded deposit insurance coverage serves all consumers equitably. Parity between banks and credit unions in both flexibility and regulatory requirements is essential to maintaining a balanced financial services ecosystem that promotes choice, competition, and consumer confidence.

We stand ready to provide additional insights or participate in further discussions to ensure the interests of credit unions and their members are fully represented.

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: HFSC Committee Members

