



DCUC
DEFENSE CREDIT UNION COUNCIL

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The Honorable Patrick McHenry
Chairman, HFSC
2134 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member, HFSC
2221 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McHenry and Ranking Member Waters:

On behalf of the Defense Credit Union Council (DCUC) and the defense credit unions we represent, thank you for hosting the hearing titled, *“Innovation Revolution: How Technology is Shaping the Future of Finance.”* This discussion is critical to understanding the financial needs of Americans, including the military community we proudly serve.

Defense credit unions have a unique mission to support active-duty service members, veterans, and their families. Military life presents distinct challenges, such as frequent relocations, extended deployments, and the need for rapid access to financial resources during emergencies. To address these challenges, defense credit unions are leveraging innovative technologies to enhance accessibility, security, and financial readiness.

How Defense Credit Unions Use Technology to Serve the Military Community

Mobile Banking Designed for a Mobile Lifestyle:

Frequent moves due to Permanent Change of Station (PCS) orders require flexible and accessible financial services. Defense credit unions understand the need to provide:

- **Comprehensive mobile banking platforms** that allow members to deposit checks, transfer funds, and pay bills securely from anywhere in the world.
- **Seamless global access** through mobile apps that accommodate military families stationed overseas, including real-time currency conversion features.
- **Automated alerts** to assist with budgeting and expense tracking, reducing financial stress during relocations or deployments.

Secure and Accessible Digital Lending Solutions:

Defense credit unions understand the importance of timely financial support. Using technology, they seek to streamline lending processes, including:

- **Automated loan approvals** for VA home loans, car loans, and personal loans to ensure fast access to funds, even in remote locations.
- **Digital pre-approvals and e-signatures**, eliminating the need for in-person meetings and allowing deployed members to manage their financial needs remotely.

Enhanced Cybersecurity for Military Families:

Military members are often targeted by cybercriminals, making robust cybersecurity measures critical. Defense credit unions invest heavily in:

- **Advanced encryption and biometric authentication** to protect sensitive information.
- **Artificial Intelligence-driven fraud detection systems** that proactively identify and address unusual activity.
- **24/7 fraud monitoring services**, ensuring members can respond to security threats immediately, regardless of their location or time zone.

Financial Wellness Tools for Long-Term Readiness:

Financial readiness is directly tied to military readiness. Defense credit unions support long-term financial health through:

- **Interactive financial literacy tools** integrated into mobile apps, offering modules on credit management, retirement planning, and VA loan usage.
- **AI-powered personalized financial advice** tailored to each member's circumstances, helping families save for education, emergencies, and retirement.
- **Deployment-specific resources**, including budgeting tips and automated savings plans to assist families in navigating the challenges of separation.

Global Reach and Community Engagement:

Military families are often stationed in remote or underserved areas, which makes access to physical banking locations challenging. Defense credit unions address this through:

- **Global ATM networks** with fee reimbursements for deployed service members.
- **Virtual service representatives** available 24/7 to address military-specific financial challenges in real time.
- **Base-centric services**, including education sessions and financial check-ups for families transitioning to new duty stations.

Challenges and Opportunities

While technology has enabled defense credit unions to serve their members more effectively, several barriers remain:

- **Connectivity in Remote Locations:** Many military installations lack the infrastructure necessary to support seamless digital banking services. This affects financial inclusion and access for service members stationed in isolated areas.

- **Evolving Cybersecurity Threats:** As cyber threats become increasingly sophisticated, defense credit unions face rising costs to stay ahead of potential risks. Collaborative efforts between the private sector and government are essential to ensuring robust defenses.
- **Regulatory Constraints:** Innovation is often hindered by outdated or overly burdensome regulations that do not account for the unique needs of military families. A balanced approach is necessary to promote both security and innovation.

Policy Recommendations

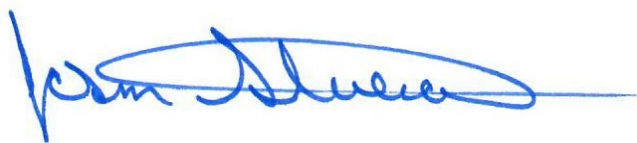
- **Support for Public-Private Cybersecurity Collaboration:** Encourage partnerships between financial institutions, the Department of Defense, and federal cybersecurity agencies to protect military families from emerging threats.
- **Investment in Financial Infrastructure:** Advocate for improved digital and physical infrastructure at remote and overseas military installations to enhance financial inclusion and accessibility.
- **Regulatory Modernization:** Streamline regulations to allow defense credit unions to adopt emerging technologies without unnecessary delays, while maintaining strong consumer protections.

Defense credit unions are proud to serve those who serve our country. By harnessing innovative technologies, we ensure military families have access to secure, reliable, and convenient financial services tailored to their unique needs.

We thank the Committee for exploring how technology is shaping the financial sector and urge you to consider the critical role defense credit unions play in supporting military readiness through innovation. We stand ready to provide further insights and collaborate with your office to advance these efforts.

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,



Jason Stverak
Chief Advocacy Officer
DCUC

CC: HFSC Members

