



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
Chief Advocacy Officer

February 4, 2025

The Honorable Bernie Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Josh Hawley
United States Senate
115 Russell Senate Office Building
Washington, DC 20510

Dear Senators Sanders and Hawley:

On behalf of the Defense Credit Union Council (DCUC) and the military credit unions we represent, I am writing to express our strong opposition to your recently introduced legislation capping credit card interest rates at 10%. While we understand the intent to protect consumers from high-interest debt, this bill would have severe unintended consequences—particularly for military service members and their families who rely on responsible, mission-driven financial institutions like defense credit unions.

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.

As not-for-profit cooperatives, defense credit unions operate on thin margins, using interest revenue from credit products to cover operational costs and reinvest in financial services tailored to military families. A 10% interest rate cap would make it impossible for credit unions to continue offering unsecured credit cards to their members, forcing them out of the market. This would push many service members toward predatory lenders, payday loan alternatives, and fintechs with less consumer protection—ironically exposing them to higher fees and harmful financial products.

Additionally, military credit unions play a vital role in financial readiness for our troops. Revenue from credit card programs supports free financial education, emergency loans, deployment assistance, and low- or no-cost banking services on military installations worldwide. If this bill is enacted, these critical services will be at risk, harming the very people it aims to help.

Unlike big banks and profit-driven institutions, defense credit unions already offer some of the most competitive rates in the industry while complying with existing military lending laws, including the Military Lending Act (MLA) cap on credit products. This legislation would not only limit credit access for military members but also severely weaken the institutions dedicated to serving them.

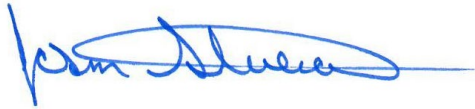
Serving Those Who Serve Our Country

I am sure you do not want to do anything that would jeopardize the financial readiness o America's Military and their families. We would like to have the opportunity to meet with you and your staff to explain in greater details our concerns with your legislation.

We know you desire to support policies that empower responsible lending, preserve access to affordable credit, and protect military families from financial harm. DCUC stands ready to work with you on solutions that truly benefit service members without disrupting their access to safe, affordable financial services.

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: Members of the U.S. Senate

