



**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

January 8, 2025

The Honorable Roger Wicker  
Chairman  
Armed Services Committee  
United States Senate  
Washington, DC 20510

The Honorable Jack Reed  
Ranking Member  
Armed Services Committee  
United States Senate  
Washington, DC 20510

Dear Chairman Wicker and Ranking Member Reed:

I am writing on behalf of the Defense Credit Union Council (DCUC) and the over 40 million members of defense credit unions as you evaluate the nomination of Mr. Pete Hegseth for Secretary of Defense, we urge you to address critical issues concerning the Department of Defense's (DoD) Military Banking Programs, Policies, and Regulations.

### **Support for the Military Banking Program Protection Act**

The Military Financial Services Protection Act aims to enhance the DoD's understanding and management of military banking services. The Defense Credit Union Council (DCUC) has highlighted that the DoD's challenges stem from a limited understanding of modern banking practices and technologies. This has led to issues such as the controversial awarding of the OMBP contract without ensuring basic deposit insurance.

The proposed legislation seeks to establish an advisory committee comprising senior DoD officials, federal financial regulators, and representatives from organizations like DCUC and the Association of Military Banks of America (AMBA). This committee would study and recommend improvements to the Military Banking Program, ensuring it leverages current and future financial industry technologies for the benefit of military personnel.

Supporting this Act would:

- **Enhance Financial Readiness:** By improving the DoD's understanding of banking practices, the Act would promote financial well-being among service members.
- **Ensure Regulatory Compliance:** The advisory committee would help navigate complex regulatory environments, preventing issues like the recent deposit insurance controversy.
- **Strengthen Military-Credit Union Relationships:** The Act would foster better collaboration between the DoD and financial institutions dedicated to serving military communities.

The Defense Credit Union Council (DCUC) has been a proactive advocate for reforms in the Department of Defense's (DoD) banking programs, aiming to enhance financial services for military personnel and their families. We encourage you to ask questions to Mr. Hegseth about the following issues: Key initiatives include:

We recommend posing the following questions or raising the following issues to Mr. Hegseth:

1. **Adherence to “One Bank, One Credit Union” Policy:** What is your stance on the DoD’s deviation from its longstanding policy of having one bank and one credit union per military installation, and how do you plan to manage potential conflicts arising from this change?

2. **Stakeholder Consultation:** How will you involve key stakeholders, such as DCUC and AMBA, in decisions affecting military banking services to ensure comprehensive understanding and effective implementation of banking programs?

3. **Financial Training:** Why does DoD continue to spend scarce O&M dollars on financial readiness training while restricting banks and credit unions from offering better educational resources for free as part of their agreements to operate on military installations?

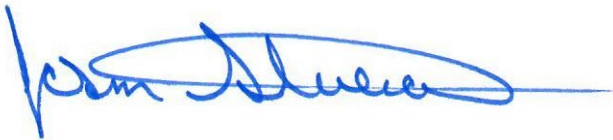
4. **Opposition to Unrelated Amendments in the National Defense Authorization Act (NDAA):** DCUC has actively opposed the inclusion of unrelated amendments to the NDAA that could negatively impact credit unions’ operations on military installations.

5. **Advocacy for a Clean NDAA:** DCUC has led efforts to ensure the passage of a clean NDAA, free from provisions that could undermine the credit union mission or jeopardize the financial security of military members and veterans. This includes opposing the Durbin-Marshall Credit Card Competition Act amendment and any interchange language that could introduce increased costs and security risks for service members.

Addressing these questions is vital to safeguard the financial interests of our service members and to maintain the integrity of military banking services. We trust that you will give these matters the attention they deserve during Mr. Hegseth’s confirmation process.

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: Pete Hegseth, Secretary of Defense Nominee  
Senate Armed Service Committee Members