



**DCUC**  
DEFENSE CREDIT UNION COUNCIL

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**Jason Stverak**  
Chief Advocacy Officer

January 29, 2025

The Honorable Tim Scott  
Chairman  
Banking, Housing and Urban Affairs Committee  
United States Senate  
Washington, D.C. 20510

The Honorable Elizabeth Warren  
Ranking Member  
Banking, Housing and Urban Affairs Committee  
United States Senate  
Washington, DC 20510

Dear Chairman Scott and Ranking Member Warren:

On behalf of the Defense Credit Union Council (DCUC), I am writing to express our concerns regarding the growing issue of debanking and to highlight the pivotal role that credit unions play in safeguarding access to essential financial services for all Americans. As the Committee prepares for the upcoming hearing titled *“Investigating the Real Impacts of Debanking in America”*, we believe it is crucial to recognize how credit unions serve as a vital counterbalance to discriminatory and unjust financial exclusion.

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. We believe it is crucial to address specific issues pertinent to our members during this confirmation process.

Debanking, the practice of financial institutions terminating or restricting services to certain businesses or individuals without clear justification threatens financial inclusion and economic stability. This issue disproportionately affects small businesses, entrepreneurs, and underserved communities, including military families and veterans who rely on access to fair and stable financial services. Debanking can occur due to opaque risk assessments, subjective compliance concerns, or the consolidation of financial services into fewer, larger institutions that prioritize profit over people.

Unlike large for-profit banks, credit unions are member-owned, community-focused institutions that prioritize financial inclusion. Because credit unions operate under a cooperative model, they are not driven by quarterly profit margins but by the needs of their members. This structure makes credit unions a critical safeguard against debanking and financial discrimination.

Credit Unions Protect Against Debanking in Several Key Ways:

**A Mission of Inclusion:** Credit unions were founded on the principle of financial cooperation, ensuring that underserved and marginalized groups including low-income families, veterans, and small business owners are not left without banking options. Credit unions do not engage in arbitrary service terminations based on corporate risk calculations; instead, they assess the needs of their members and provide personalized financial solutions.

*Serving Those Who Serve Our Country*

**Community-Centric Decision-Making:** Credit unions are deeply embedded in the communities they serve, understanding the local economy and unique financial needs of their members. This prevents the kind of impersonal, automated decision-making that often leads to unjust debanking.

**Commitment to Fair and Transparent Practices:** Many instances of debanking arise from vague or unexplained risk concerns tied to regulatory compliance. Credit unions are subject to stringent oversight while remaining transparent and accountable to their members, ensuring that account closures or restrictions are based on clear, legitimate concerns rather than arbitrary de-risking strategies.

**Veteran and Military Support:** As an organization dedicated to serving defense credit unions and military communities, DCUC understands how debanking disproportionately impacts service members, veterans, and their families. Many commercial financial institutions have withdrawn from military bases or imposed excessive fees on accounts, leaving our nation's heroes without accessible financial services. Credit unions step in where big banks pull out, ensuring that military families have access to affordable banking and lending products.

**Small Business and Entrepreneurial Support:** Many small businesses, particularly those in politically disfavored industries or new startups without an extensive financial history, face debanking at an alarming rate. Credit unions serve as lifelines for these businesses, providing fair access to capital and financial services that would otherwise be denied by large banks focused on reducing risk exposure rather than supporting local economies.


The recent article published by CU Today, [Credit Unions: A Reliable Shield Against the Growing Crisis Of Debanking](#), underscores the essential role that credit unions play in mitigating this crisis. By prioritizing relationships over risk modeling, credit unions offer a financial safety net to individuals and businesses unfairly targeted by debanking practices. ([cutoday.info](http://cutoday.info))

As the Committee examines the real impacts of debanking in America, we urge you to support policies that empower credit unions to continue providing fair and equitable financial services. This includes ensuring that regulatory policies do not inadvertently force credit unions into the same de-risking behaviors as large banks and that financial inclusion remains a top priority in financial oversight discussions.

Thank you for your attention to this critical issue. DCUC and our member institutions stand ready to work with the Committee to ensure that all Americans especially those who have served our country have access to stable, transparent, and inclusive 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](mailto:jstverak@dcuc.org).

Sincerely,



Jason Stverak  
Chief Advocacy Officer  
DCUC

CC: Senate Banking, Housing and Urban Affairs Committee Members