



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
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The Honorable Tim Scott
Chairman
Banking, Housing and Urban Affairs Committee
United States Senate
Washington, DC 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), which represents the interests of credit unions serving military personnel, veterans, and their families, I write to share our thoughts and questions for the committee's upcoming nomination hearing for Mr. William Pulte, to be Director, Federal Housing Finance Agency; and The Honorable Jonathan McKernan, to be Director, Bureau of Consumer Financial Protection. 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.

These agencies play a critical role in ensuring financial stability and access to credit for military families, veterans, and the broader credit union community. Given the growing regulatory burdens on credit unions, we urge the Committee to ensure that these nominees are committed to fostering a fair, balanced, and efficient regulatory environment.

Questions for the FHFA Nominee

1. Ensuring Affordable Homeownership for Service Members and Veterans:

How will you ensure that Fannie Mae and Freddie Mac continue to support mortgage access for military families, particularly in high-cost housing markets near military installations?

2. VA Home Loan Program Support:

What steps will you take to ensure that FHFA policies do not create unintended barriers for veterans using VA home loans, including appraisal delays, seller resistance, and limitations on assumption loans?

3. Regulatory Overreach and Small Lender Access:

Credit unions are critical providers of mortgages to service members and their families. How will you ensure that credit unions maintain fair access to the secondary mortgage market without being disadvantaged by unnecessary regulatory burdens?

4. Mortgage Servicing and Foreclosure Protections for Military Borrowers:

What specific policies will you advocate to ensure mortgage servicers appropriately implement foreclosure protections for active-duty service members under the Servicemembers Civil Relief Act (SCRA)?

5. Home Loan Pricing Adjustments and Risk-Based Pricing:

How will you evaluate loan-level price adjustments (LLPAs) and risk-based pricing models to ensure they do not unfairly penalize credit union borrowers who are financially responsible but lack traditional credit profiles?

6. Role of FHFA in Reducing Housing Costs:

What steps will you take to ensure FHFA supports policies that expand affordable homeownership, particularly for first-time homebuyers, service members transitioning to civilian life, and lower-income borrowers?

7. Regulatory Relief for Credit Union Mortgage Lenders:

Given the increasing compliance burden on credit unions, will you commit to reviewing and reducing unnecessary FHFA regulations that increase costs without adding meaningful consumer protections?

Questions for the CFPB Nominee

1. Balancing Consumer Protection with Regulatory Relief:

Credit unions operate under a member-first model and have a strong track record of responsible lending. What steps will you take to ensure that CFPB regulations do not unnecessarily burden credit unions, limiting their ability to provide affordable credit and essential services to their members?

2. Regulatory Rollback for Credit Unions:

Will you commit to reviewing and rolling back outdated or excessively burdensome CFPB regulations that disproportionately impact credit unions and small financial institutions?

3. Overdraft Protection and Military Readiness:

Many military families rely on overdraft services to manage their finances during deployments and PCS moves. How will you ensure that CFPB's rulemaking does not unnecessarily restrict these services in a way that harms military personnel?

4. Interchange Fee Regulation and Consumer Impact:

What is your perspective on the impact of potential changes to credit card interchange fees, and how would you ensure that such policies do not reduce financial services access or increase costs for credit union members, including service members and their families?

5. CFPB's Role in Supporting Veteran and Military Financial Readiness:

How will you work with the Department of Defense and financial institutions to improve financial literacy and protect service members from predatory lending practices?

6. Data Privacy and Financial Institutions:

How will you ensure that CFPB's data collection and reporting requirements do not impose excessive compliance costs on small credit unions, diverting resources away from member service?

7. Rethinking Small-Dollar Lending Restrictions:

Many credit unions offer small-dollar loans as an affordable alternative to payday lenders. Will you commit to reevaluating CFPB's small-dollar lending restrictions to ensure they do not limit credit unions' ability to serve their members?

8. Transparency in CFPB Rulemaking and Guidance:

How will you ensure that CFPB rulemaking is transparent and based on real-world data rather than assumptions that disproportionately affect credit unions and other responsible lenders?

9. Improving CFPB Engagement with Credit Unions:

Many credit unions feel they have little input in CFPB rulemaking. What steps will you take to improve engagement with credit unions and ensure their concerns are addressed in the regulatory process?

10. Reestablishing the Credit Union Advisory Committee:

The CFPB previously had an advisory committee to provide credit unions with direct input on the agency's rulemaking and oversight activities. Will you commit to reestablishing a formal Credit Union Advisory Committee to ensure that credit unions have a voice in the CFPB's policymaking process?

11. Cost-Benefit Analysis of CFPB Rules:

Will you commit to conducting a thorough cost-benefit analysis before implementing new regulations to ensure they do not impose excessive costs on credit unions and their members?

12. Regulatory Exemptions for Small Credit Unions:

The CFPB has the authority to tailor regulations based on institution size and risk. Will you commit to using this authority to exempt small credit unions from overly complex rules designed for large financial institutions?

As the Committee evaluates these nominations, we urge you to ensure that the nominees understand the unique challenges facing military and veteran credit unions and the communities they serve. DCUC believes that FHFA and CFPB should promote policies that balance consumer protection with regulatory relief, ensuring that credit unions can continue to provide affordable financial services to those who serve our nation.

DCUC stands ready to work with the Committee and the nominees to promote responsible policies that enhance financial readiness and access to essential financial services. Thank you for your leadership and commitment to ensuring a fair and effective regulatory environment.

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: Senate Banking, Housing and Urban Affairs Committee Members