



**DCUC**  
DEFENSE CREDIT UNION COUNCIL

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**Jason Stverak**  
Chief Advocacy Officer

July 22, 2024

The Honorable Richard Blumenthal  
United States Senate  
Chairman  
340 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Ron Johnson  
United States Senate  
Ranking Member  
340 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Blumenthal and Ranking Member Johnson:

On behalf of America's 182 Defense Credit Unions and almost 40 million members, I am writing to provide commentary for the upcoming hearing entitled, "Instant Payments, Instant Losses: Zelle and the Big Banks Fail to Protect Consumers from Fraud." Zelle is a cutting-edge digital peer-to-peer (P2P) payment network that many credit unions and their members rely on to send and receive money. For servicemembers and their families, Zelle is particularly crucial. It enables them to transfer funds directly from their credit union to individuals at other financial institutions, a necessity given their frequent deployments and inability to meet face-to-face.

In 2023, Zelle facilitated 2.9 billion transactions, amounting to a total value of \$806 billion, demonstrating the high level of consumer trust in the platform. Over 2,100 financial institutions, including many Defense Credit Union members, offer Zelle to their members. Credit unions and community banks comprise over 95% of financial institutions that depend on the Zelle Network to provide P2P payments. Zelle empowers local credit unions to compete with the largest financial institutions by offering the same innovative P2P services.

Zelle and credit unions provide extensive education resources to help consumers identify and avoid scams, ensuring safe navigation of the payments landscape. The commitment to consumer protection is evident, with over 99.9% of Zelle transactions completed without a report of fraud or scam. This success is due to the robust consumer protection measures implemented by Zelle and our credit unions. It is important to note that all funds transferred via Zelle remain within insured deposit accounts.

Credit unions offering Zelle send alerts and reminders before payments are finalized, helping to prevent scams. This includes validating the recipient's first name and notifying the sender that the payment is irrevocable. Zelle and its participating financial institutions, including our member credit unions, are dedicated to making Zelle the safest P2P service available to our servicemembers through a multi-layered approach that identifies, intercepts, and removes bad actors.

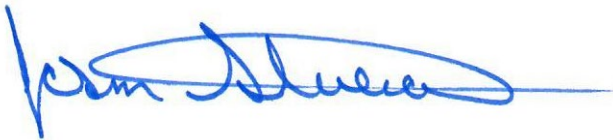
*Serving Those Who Serve Our Country*

Since scams are not unique to Zelle and affect all payment forms, the Defense Credit Union Council calls on policymakers to focus on partnering with industry stakeholders and collaboratively enact effective solutions for preventing scams and catching the criminals responsible. This approach will help preserve consumer confidence in the financial system while allowing innovative and fully regulated payment solutions to continue to be part of the financial ecosystem.

Thank you for taking the time to listen to these concerns. We would like to offer an opportunity for you or your staff to meet with us in person or on a zoom call to discuss the issue and our thoughts in greater detail.

Thank you for the opportunity to bring these matters to your attention. Should you 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,

A handwritten signature in blue ink, appearing to read "Jason Stverak", with a long horizontal line extending to the right.

Jason Stverak