



DCUC
DEFENSE CREDIT UNION COUNCIL

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Anthony R. Hernandez
President/CEO

January 10, 2026

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

The Honorable Elizabeth Warren
Ranking Member,
Senate Committee on Banking,
Housing, and Urban Affairs
Washington, D.C. 20510

The Honorable French Hill
Chairman,
House Committee on Financial Services
2221 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member,
House Committee on Financial Services
2221 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Scott, Chairman Hill, Ranking Member Warren and Ranking Member Waters:

On behalf of the Defense Credit Union Council (DCUC) and its member credit unions serving over 40 million members (including servicemembers, veterans, and their families), I am writing to express our concerns with imposing a 10% cap on credit card interest rates. Credit unions already operate under a statutory interest-rate cap that is significantly lower than what applies to banks and many other financial institutions. That cap has existed for decades and reflects the credit union mission of putting people over profits—not maximizing shareholder returns.

DCUC has a well-documented history of opposing blanket interest-rate cap proposals, including similar 10 percent caps raised in the past year. While these ideas are often well-intentioned, our concern has consistently been that a federally imposed 10 percent cap would produce serious unintended consequences—particularly for military families and working Americans who rely on credit unions for responsible, affordable access to credit.

A rigid cap would likely reduce access to credit by limiting credit unions' ability to serve higher-risk borrowers. Many credit unions would be forced to tighten underwriting standards or scale back credit card and small dollar lending altogether. That outcome would disproportionately affect young servicemembers, junior enlisted personnel, and lower-income members who do not yet have prime credit profiles.

For military communities, the impact would be especially severe. Defense credit unions routinely provide small-dollar loans, emergency credit, and short-term financial relief to servicemembers facing unexpected expenses. Under an arbitrary 10 percent cap, many of these critical services could become unsustainable. As DCUC has emphasized, military families deserve policies that strengthen their financial security—not policies that unintentionally jeopardize it by limiting access to trusted, affordable credit.

There is also a real risk that restricting credit union lending would push vulnerable consumers toward predatory lenders. Limiting the ability of mission-driven institutions to price loans according to risk does not eliminate the need for credit; it simply shifts that need into less regulated, higher-cost alternatives outside the credit union system.

Serving Those Who Serve Our Country

Finally, interest-rate cap proposals threaten the broader service model that defense credit unions provide. Beyond lending, our credit unions deliver financial counseling, fraud protection, deployment-related assistance, and tailored relief products for servicemembers and their families. A one-size-fits-all cap could undermine the sustainability of those services.

Rather than imposing a blanket national cap, DCUC has urged policymakers to pursue more targeted consumer protections—expanding financial education, promoting responsible lending, and directly cracking down on predatory actors. We look forward to working with Congress and the Administration to highlight the indispensable role credit unions play in supporting financial readiness for our armed forces and the hard-working American worker, while ensuring policy solutions do not penalize the institutions that have consistently put people first.

Thank you for your time and consideration of our views on this important matter. DCUC greatly appreciates your commitment to a balanced and equitable financial regulatory environment, as well as your past support for policies that recognize the credit union difference. We welcome a constructive dialogue on how to ensure that credit unions can continue to thrive in their vital mission of serving those who serve our nation. Please do not hesitate to contact me for any further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony Hernandez".

ANTHONY R. HERNANDEZ, Colonel, USAF (Ret)
President & CEO
Defense Credit Union Council