



National Association
of Federally-Insured
Credit Unions



DCUC
DEFENSE CREDIT UNION COUNCIL

July 16, 2018

The Honorable James Inhofe
Acting Chairman
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Mac Thornberry
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jack Reed
Ranking Member
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
2216 Rayburn House Office Building
Washington, D.C. 20515

Dear Acting Chairman Inhofe, Chairman Thornberry, Ranking Member Reed and Ranking Member Smith:

We write today on behalf of our nation's defense-related credit unions regarding Section 2808 of the House version of the John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year 2019. Section 2808 of the House NDAA bill contains a provision that would require the Department of Defense (DoD) to allow all banks to operate rent free on military installations. Through a years-long series of discussions with DoD, and through the enactment of an amendment to the Federal Credit Union Act in 2006, DoD has the discretionary authority to afford space on military bases at a nominal rate to credit unions provided that they meet certain statutory and regulatory requirements regarding the provision of financial services in the on-base facility. While DoD has chosen to do so for credit unions, they are not required to do so, as they would be for banks under Section 2808.

We recognize the important role both credit unions and banks can play for our men and women in the military in the provision of traditional financial services and in protecting our troops from predatory lenders. However, we remain concerned that the language providing "free rent" in Section 2808 for banks goes well beyond the authority provided to DoD regarding credit union leases, and would disadvantage credit unions. Like banks, many credit unions have also left bases in the past 10 years – even with the "free" lease provision. This issue is a complex one. We are concerned that all parties that could be impacted by Section 2808, including the DoD and credit unions, have not had adequate time to gauge the full impact of the specific statutory language the banks seek. Accordingly, we ask that you hold off on enacting this provision into

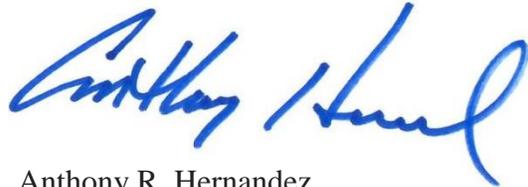
law until all of the affected parties can agree on a path forward that is truly in the best interest of our armed forces.

We thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger".

B. Dan Berger
President and CEO
NAFCU

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

Anthony R. Hernandez
President and CEO
DCUC

cc: Members of House-Senate NDAA Conference