



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
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Chairman Kyle S. Hauptman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Chairman Hauptman,

A few weeks ago, a defense credit union leader described a familiar moment to me. A servicemember was preparing for a PCS move, trying to align a new duty station, a mortgage timeline, and a family budget that had already absorbed the cost of uncertainty. The credit union wasn't debating whether to say "yes." The real question was whether the system we collectively maintain—rules, supervision, and capital expectations—gives well-run credit unions the flexibility to remain both safe and competitive as they serve families who cannot put their financial lives on hold.

That story is why the Defense Credit Union Council exists and why I write today. DCUC's mission is to champion the interests of America's credit unions serving our military and veteran communities. Our members' work is not abstract. It is financial readiness for the people who defend our nation—active-duty servicemembers, veterans, and their families.

This week, federal banking regulators formally launched a broad effort to modernize bank capital requirements—streamlining parts of the framework, improving risk alignment, and signaling that aggregate required capital may decline while maintaining safety and soundness. I appreciate regulators taking a fresh look at the capital framework to ensure it supports responsible lending and economic growth. At the same time, as I said publicly in response to these developments, "it is important that credit unions are not left at a competitive disadvantage."

Credit unions share the prudential objective at the core of your agency's mission: a safe, sound, and resilient system that enables access and protects confidence. We are member-owned cooperatives without shareholders, and we build strength through retained earnings and disciplined lending across economic cycles. That is precisely why parity matters when the broader regulatory environment shifts. If banks receive capital recalibration that increases lending runway—especially in core consumer and mortgage categories—while credit unions remain under an older calibration, the practical result can be reduced competitiveness for member-owners and less lending capacity for military families when they need it most.

Serving Those Who Serve Our Country

For that reason, DCUC respectfully requests that the NCUA initiate a comprehensive review of regulatory capital and net worth issues affecting credit unions, with five specific actions in view.

First, launch a structured, agency-led review of the current net worth/capital framework to evaluate whether it remains appropriately calibrated to risk and today's economic conditions, and whether it produces unintended constraints relative to comparable institutions.

Second, consider risk-sensitive approaches that preserve safety-and-soundness outcomes while better aligning capital expectations with measured risk—especially where calibration choices can affect credit availability for mortgages and other household credit.

Third, solicit broad stakeholder input through an Advance Notice of Proposed Rulemaking so the agency can gather data, evaluate alternatives, and transparently assess tradeoffs before moving toward a proposed rule or guidance path.

Fourth, coordinate as appropriate with the federal banking agencies so that the credit union system's capital framework evolves alongside broader prudential changes and remains comparable in principle—without importing unnecessary complexity.

Fifth, prioritize flexibility that supports mission-driven lending and responsible responsiveness for defense credit unions serving servicemembers, veterans, and their families—while maintaining the resilience the Share Insurance Fund requires.

DCUC stands ready to support this work. We would welcome the opportunity to meet with you and interested Board members (or designated staff) to share field-level observations, provide data and examples from defense credit unions, and discuss what a risk-calibrated, safety-forward modernization review could look like in practice.

Thank you for your leadership and for your commitment to a regulatory approach that protects the system while enabling credit unions to remain competitive and responsive in an evolving financial landscape.

Sincerely,



Jason Stverak
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