



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
Chief Advocacy Officer

April 28, 2026

The Honorable Mike Rogers
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

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

Re: Department of War Fiscal Year 2027 Budget Request and the Need for Military Financial Services Oversight

Dear Chairman Rogers and Ranking Member Smith:

On behalf of the Defense Credit Union Council (DCUC), I write in advance of the House Armed Services Committee's April 29, 2026, hearing on the Department of Defense Fiscal Year 2027 budget request. DCUC represents more than 200 defense-affiliated credit unions serving over 40 million members, including active-duty servicemembers, Guard and Reserve families, veterans, military retirees, and the civilian workforce that supports military readiness. Defense credit unions operate on more than 300 installations worldwide and, in many locations, are among the only regulated financial institutions with a direct daily presence in military communities.

We respectfully urge the Committee to treat military financial services as a defense-readiness issue, not as a peripheral banking matter. The Department's own financial-readiness authorities recognize that personal financial readiness supports a servicemember's ability to perform wartime responsibilities, and DoW's Financial Management Regulation assigns senior departmental responsibility for on-base financial institutions because these policies affect morale, welfare, consumer protection, and readiness for servicemembers and their families.

DCUC's position on this point has been consistent. In official correspondence to DoW, the Senate Armed Services Committee, the House Financial Services Committee, the House and Senate Armed Services Committees, the House Appropriations Defense Subcommittee, and the Secretary of Defense, DCUC has repeatedly called for a formal advisory or oversight mechanism inside DoW to coordinate policy on military banking programs, ensure stakeholder consultation, improve transparency, modernize financial access, and protect servicemembers from the consequences of fragmented or outdated decision-making.

That same concern is reflected in H.R. 10488, the Military Financial Services Protection Act of 2024, introduced last Congress by Rep. French Hill and referred to the House Armed Services Committee. As drafted, the bill would establish an Advisory Committee on Military Financial Services in the Department of War, require regular meetings, and direct reports to Congress and the Secretary of War on the effectiveness of military banking programs, the legal and contractual environment affecting delivery of financial services, and the obstacles and incentives affecting insured depository institutions and insured credit unions serving military families. Although Congress.gov does not yet display a separate CRS summary for the bill, the bill text itself makes clear that the legislation was designed to create a structured DoW oversight and advisory framework.

Serving Those Who Serve Our Country

DCUC believes this framework is urgently needed because the current system is not sufficiently coordinated or transparent. DCUC's official issue pages and letters describe growing problems in the Overseas Military Banking Program, including contract and deposit-insurance concerns, a diminished DoW knowledge base regarding modern banking practices and technologies, and mounting strains on longstanding public-private partnerships. DCUC has also warned that the Department's "one bank, one credit union" baseline has been applied unevenly; that credit unions are too often blocked from delivering no-cost financial education and counseling on installations; and that military-serving institutions continue to face operational friction when navigating rules touching the Military Lending Act, the Servicemembers Civil Relief Act, and military-specific access issues.

For those reasons, DCUC respectfully recommends that the Committee consider four actions.

First, the Committee should revive H.R. 10488 or include substantially similar text in the FY2027 National Defense Authorization Act. At a minimum, Congress should establish an Advisory Committee on Military Financial Services within DoW, chaired by the Under Secretary of Defense (Comptroller), with participation from relevant defense components, federal financial regulators, and the nonprofit organizations that directly represent military banks and defense credit unions. That structure is the best way to ensure that installation-level realities are heard before policy changes are imposed from Washington.

Second, the Committee should require a recurring report on military financial services access. DCUC recommends that DoW report annually, on an installation-by-installation basis, on whether each installation has access to at least one full-service bank and one full-service credit union where authorized; the operating status of overseas branches and facilities; major contract changes in the Overseas Military Banking Program; and any barriers preventing servicemembers and their families from accessing safe, affordable, insured financial services. This would directly build on the reporting logic already embedded in H.R. 10488 and would help the Committee monitor whether current DoW policy is being applied consistently.

Third, the Committee should require a legal-compliance certification before any award, renewal, or major modification of an Overseas Military Banking Program contract. DCUC's 2023 and 2025 letters raised concerns about deposit insurance, contract structure, and compliance with DoW financial-management rules. Requiring the Secretary or USD(C) to certify that any such contract is consistent with applicable deposit-insurance, host-country, and DoW regulatory requirements would strengthen consumer protection for military families and reduce the likelihood of avoidable program disruptions.

Fourth, the Committee should direct DoW to better integrate qualified on-base financial institutions into financial-readiness delivery. Defense credit unions already provide budgeting assistance, financial education, and counseling tailored to military life; yet DCUC's official letters state that these institutions are often restricted from providing that support even when it can be delivered at no cost to the government. Congress should direct DoW to identify contractual or policy barriers, permit qualified credit unions and military banks to participate in approved financial-readiness activities, and coordinate that effort with federal regulators and consumer-protection officials, including the Consumer Financial Protection Bureau where appropriate.

DCUC also urges the Committee to preserve the broader policy environment that allows military-serving institutions to do their jobs. In related letters, DCUC has opposed inserting unrelated financial-services provisions into defense legislation when those provisions would reduce access to affordable credit, weaken fraud protections, or otherwise burden credit unions serving military communities. DCUC has likewise emphasized that safe, affordable lending to veteran-owned businesses, strong anti-fraud coordination, and continued access to mission-oriented community-development tools all support military and veteran financial resilience.

Stated plainly, DCUC's message is this: **financial readiness is mission readiness**, and Congress should require DoW to oversee military financial services with the same discipline, transparency, and accountability that it applies to other readiness-support functions. We would welcome the opportunity to provide technical assistance on legislative text, report language, or questions for the record following the hearing.

Thank you for your leadership and for your continued focus on the quality of life, readiness, and financial security of those who serve.

Please contact me at Jason.Stverak@dcuc.org with any questions about DCUC's comments.

Sincerely,

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

Jason Stverak
Chief Advocacy Officer
DCUC