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DEFENSE CREDIT UNION COUNCIL

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Anthony R. Hernandez
President/CEO

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The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Opposition to a 10 Percent Credit Card Interest Rate Cap

Dear Mr. President:

On behalf of the Defense Credit Union Council (DCUC), I respectfully urge you to reconsider your support for a blanket 10 percent cap on credit card interest rates. We share your determination to ease the financial burden on American families. Our concern is that this proposal could leave servicemembers, veterans, and their families without access to the responsible credit they depend on when an emergency cannot wait.

I raised these concerns in my January 10, 2026 letter to you. DCUC reiterated its opposition in our November 6 letter to Senator Elizabeth Warren. Our position has remained consistent regardless of who advances the proposal. We want borrowing to be affordable, and we want military families to retain a fair opportunity to qualify for it.

DCUC represents more than 200 credit unions serving 47 million members, including servicemembers, veterans, and their families, with more than $525 billion in combined assets. Our responsibility is to speak for the people whose financial security depends on the decisions Washington makes.

Consider a young, enlisted member whose only car needs an urgent repair, or a military spouse who needs to travel home for a family emergency while a loved one is deployed. A permanent change of station can also disrupt a spouse's employment and leave a household managing expenses on one income. For a family with limited savings, access to a manageable credit line can keep an unexpected expense from becoming a much larger crisis. A promised lower rate offers little comfort if the application is declined or the available credit disappears.

As a retired Air Force colonel, I believe we must consider financial policy through the eyes of the people carrying out our nation's missions. A servicemember preparing to deploy should be able to focus on the assignment with confidence that help will be available for the family at home. Their peace of mind deserves a place in this debate.

Credit unions are owned by their members and must protect the resources those members entrust to them. They still face the costs of funding loans, securing payment systems, preventing fraud, and covering losses. When a ceiling prevents an institution from covering the cost and risk of a particular account, the response can be a smaller credit line, stricter approval standards, or an account closure. Young borrowers and those rebuilding their finances would be especially vulnerable.

Mr. President, federally chartered credit unions already live under a cap on loan interest rates. It applies broadly to lending, not just credit cards. Federal law generally sets the ceiling at 15 percent and gives NCUA limited authority to establish a higher temporary ceiling. The current general ceiling is 18 percent through September 10, 2027. This existing framework protects consumers while allowing the regulator to account for economic conditions and credit union financial health. State-chartered credit unions follow their applicable legal frameworks. Please preserve responsible lending by credit unions under both charters.

Research reinforces the need for caution. A February 2026 working paper by Federal Reserve Bank of Philadelphia economists found, in its model, that a 10 percent credit card cap would reduce credit limits and leave riskier borrowers worse off overall. Those are precisely the borrowers whose continued access deserves careful attention.

The Electronic Payments Coalition's analysis, based on estimates from card-issuing bank specialists, projects that the Sanders–Hawley 10 percent proposal could effectively eliminate further credit card borrowing for 175 million to 190 million Americans through account closures or limits reduced to the amount already owed. This is an industry projection, not a count of people who have already lost credit or a military-specific estimate. Even so, the potential consequences warrant serious scrutiny before Washington proceeds.

Some borrowers who retain their accounts could benefit from lower interest charges. We recognize that benefit. We also ask you to consider the family that loses its borrowing option altogether. That household's repair bill or emergency travel expense remains, and its remaining choices may be more costly or inadequate.

Mr. President, please work with us on measures that reduce borrowing costs while keeping responsible credit available. We urge you to oppose a blanket 10 percent mandate and bring defense credit union leaders into discussions with your Administration before any proposal advances. A meaningful assessment must examine who could lose access, how much credit could be withdrawn, and what alternatives would actually remain for military households.

DCUC is ready to help develop practical solutions, including stronger enforcement against deceptive lending, clear disclosures, expanded financial counseling, and support for responsible emergency lending. We would welcome the opportunity to meet with you or your senior advisers and explain what these choices would mean for the families our credit unions serve.

Thank you for considering our concerns and for your attention to the well-being of our armed forces. We ask extraordinary things of our servicemembers and their families. Please help ensure that, when they face a financial emergency, a trusted credit union still has the ability to help.

Respectfully,



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Defense Credit Union Council