



**America's
Credit Unions**

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May 21, 2024

The Honorable Mike Rogers
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Adam Smith
Ranking Member
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Re: Markup of the FY2025 National Defense Authorization Act

Dear Chairman Rogers and Ranking Member Smith:

As the House Armed Services Committee begins its markup of the FY2025 National Defense Authorization Act, we remain opposed to any amendments from the banking lobby on Department of Defense (DoD) land leases as there are significant differences between for-profit banks and not-for-profit credit unions. We thank the Committee for recognizing these important distinctions, whether it is a large commercial bank or a small community bank. More importantly, with multiple global contingencies and force structure considerations, Congress and DoD have more pressing issues to consider. Thus, we oppose the bank lobby using this critical, must-pass defense bill as a shortcut to increase their profit margins.

Our opposition is bolstered by the fact that DoD, at the request of the House Armed Services Committee in the 2022 NDAA, submitted an official report which disproved the bank lobby's main argument. In its report, DoD found zero instances where the current lease structure is 1) harming financial access for service members and their families, and 2) causing any base to go without financial services on the installation. Thus, DoD sees no need to change the status quo which should settle this issue so the Committee can rightly move on to more urgent national security concerns.

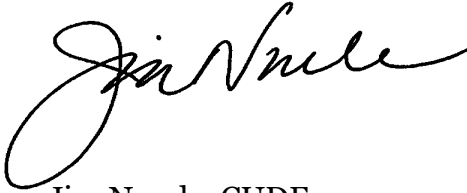
Additionally, the "in-kind consideration" process outlined in DoD's report makes clear that lower base leases are available to "for-profit" banks which would decrease their expenses if they exercised statutory provisions under the Military Leasing Act, 10 USC §2667. There is little evidence of banks being denied an opportunity to work with DoD and obtain "in-kind consideration." We encourage banks to work with DoD (as credit unions have done for many years) to obtain nominal cost leases, instead of trying to go around DoD to Congress.

Furthermore, we see no need to consume the Committee's time in developing a legislative formula to impose on installation commanders who are busy enough preparing for combat operations. We are concerned that this effort by "for-profit" banks would amount to Congressional micromanagement of individual base commanders to solve a problem that DoD has confirmed does not exist. This is why our nation's credit unions continue to earn their nominal lease structure by providing safe, sound, and available financial products and services.

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Defense credit unions do not fear competition from banks, especially on base, as there can be an important role for both institutions to play. But credit unions simply put our members first— ahead of profit. If banks want to be treated like credit unions, they need to start acting like them. Equal treatment needs to focus on service, structure, and ethos, not increasing the bank's profit sustainability. Our service members deserve more!

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the beginning.

Jim Nussle, CUDE
President & CEO

cc: Members of the Committee on Armed Services