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**National Association of Federally-Insured Credit Unions**

June 11, 2019

The Honorable Adam Smith  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Mac Thornberry  
Ranking Member  
Committee on Armed Services  
U.S. House of Representatives  
Washington, D.C. 20515

**Re: Oppose NDAA amendment regarding bank leases on military installations**

Dear Chairman Smith and Ranking Member Thornberry:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) regarding an amendment expected to be offered by Representative Trent Kelly at tomorrow's mark-up of the FY 2020 National Defense Authorization Act (NDAA) that would require the Department of Defense (DoD) to treat banks and credit unions on military installations the same when it comes to leases. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 117 million consumers with personal and small business financial service products. A number of our members are defense credit unions serving our nation's men and women in the armed forces. We urge you to oppose any such amendment.

As you are aware, through a years-long series of discussions with the DoD, and through the enactment of an amendment to the *Federal Credit Union Act* in 2006, the 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. It is important to note that while the DoD has chosen to do so for credit unions, they are not required to do so. The DoD, like many others, recognizes the value that credit unions bring to our men and women in uniform, in good times and bad. For example, during the partial government shutdown earlier this year, many credit unions offered programs to assist those impacted by a lack of a paycheck, while other financial institutions did little or nothing.

The proposed amendment would essentially require that the DoD treat Wells Fargo the same as a military installation's local not-for-profit defense credit union when it comes to rent on military bases. A long track record of consumer abuses aside, Wells Fargo's annual gross profit for 2018 was \$86 billion according to news reports.

NAFCU recognizes 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 efforts to provide "free rent" for banks on military installations are missing the mark, and would disadvantage credit unions. Like banks, many credit unions have also left bases in the past 10 years – even with the nominal lease

provision. This issue is a complex one. Many parties beyond just banks could be impacted by such an amendment, including the DoD and credit unions. We would urge you to gauge the full impact of any specific statutory language the banks may seek prior to supporting any amendment. All of the affected parties need to agree on a path forward that is truly in the best interest of our nation's armed forces.

On behalf of our nation's credit unions and their more than 117 million members, we thank you for your attention to this important matter. Should you have any questions or require any additional information please contact me or Janelle Relfe, NAFCU's Associate Director of Legislative Affairs, at 703-842-2237.

Sincerely,

A handwritten signature in cursive script that reads "Brad Thaler".

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the House Armed Services Committee