



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
Chief Advocacy Officer

July 17, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Re: Opposition to inclusion of the Credit Card Competition Act in the Senate NDAA

Dear Majority Leader Thune and Minority Leader Schumer:

On behalf of the Defense Credit Union Council (DCUC) and the defense and veteran-related credit unions we represent—institutions with over \$500 billion in assets serving more than 40 million members—I write to urge you to oppose any effort to attach the Credit Card Competition Act (sometimes called the Durbin-Marshall interchange bill) to the Senate version of the National Defense Authorization Act. As we have advised in prior correspondence, the CCCA is portrayed as a pro-competition measure, but it will have disproportionately harmful effects on military credit unions and the servicemembers and families they serve. It is critical that the NDAA remain focused on defense priorities and not be derailed by an unrelated financial services mandate.

The CCCA would fundamentally alter how credit card transactions are processed by imposing sweeping routing requirements on issuers. These mandates would strip away a credit union's ability to choose the most secure, reliable networks for processing payments. Instead, financial institutions would be forced to route transactions through the "cheapest" available network—often untested, underfunded, or even foreign-controlled networks with weaker fraud controls. We are deeply concerned this will raise fraud and cybersecurity risks for all cardholders, including our military families. Experience with prior mandates shows these fears are justified: after debit interchange was regulated under the 2010 Durbin Amendment, the Federal Reserve reported that almost no retailers passed savings on to consumers, and in fact many merchants raised prices or imposed new card-use restrictions. In one survey, 98.8% of merchants did not lower prices despite lower processing costs. We fear the CCCA would repeat this scenario, effectively enriching major retailers at the expense of everyday Americans, including servicemembers and veterans, without delivering any meaningful benefit to those it purports to help.

Importantly, any savings from lower interchange fees would not be passed along to military shoppers. On the contrary, credit unions would be forced to cut or eliminate many of the consumer-friendly benefits that military families rely on. Defense credit unions often offer credit cards with low interest rates, no annual fees, and robust rewards programs that help military households stretch their budgets. By squeezing interchange revenue, the CCCA would compel these not-for-profit institutions to raise rates or fees, reduce rewards, or even cancel popular

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programs. Indeed, after Durbin's price controls on debit cards, reward programs disappeared for 30% of accounts and free checking became much rarer as banks struggled to make up lost revenue. If similar controls are applied to credit cards, our troops and their families may see fewer miles for home leaves or lose cash-back rebates they depend on. Yet the biggest retailers – the likes of multinational megastores – would pocket nearly all the theoretical gains. In short, our service members would see none of the promised price relief at the register, but would pay more in other ways while boosting corporate profits.

This threat extends beyond rewards to fundamental credit access. Military credit unions are organized as not-for-profit cooperatives that reinvest earnings in member services. They offer low-interest credit cards, deployment-relief loans, debt-consolidation programs, emergency assistance and financial counseling specifically tailored for servicemembers and their families. By drastically cutting interchange revenue and forcing costly network upgrades and compliance systems, the CCCA would undermine these vital services. Already operating on thin margins, smaller defense credit unions would struggle to absorb the change. We could see tighter lending standards, reduced credit limits, or even the discontinuation of certain credit card and loan programs. In practice, this means that junior enlisted personnel and their families — who often face irregular pay and the financial strains of relocation or deployment — might find it harder to obtain affordable credit for emergencies, home purchases or starting a small business. This outcome is directly at odds with the Department of Defense's emphasis on **financial readiness** as a core component of military readiness. Any policy that raises costs, weakens fraud protections, or limits credit for military families would directly undercut that objective and degrade the financial security of the force.

Beyond the clear consumer harms, attaching the CCCA to the NDAA is a dangerous legislative shortcut. This proposal has never been given a proper hearing or vote in committee, and is widely viewed by industry experts as a “poison pill” amendment. It is a divisive, stand-alone policy shoehorned into a must-pass defense bill. If Congress is serious about protecting Main Street and supporting our military communities, it should reject these backdoor efforts. The NDAA deserves a clean, focused debate on genuine defense priorities — not to be saddled with an unrelated financial policy that primarily enriches big-box retailers. Our servicemembers and their families deserve better than to be made collateral damage in a corporate lobbying fight over swipe fees.

For all of these reasons, DCUC respectfully urges you to oppose including the Credit Card Competition Act in the Senate NDAA (or any related vehicle). Any short-term gain for a handful of retailers would not justify the long-term damage to military readiness and the financial well-being of our troops. We stand ready to work with you on any alternatives that truly enhance competition without harming consumers or the institutions that serve them.

Finally, I would welcome the opportunity to meet with you or your staff during the August recess – either in person or virtually – to discuss this matter and other NDAA-related issues that affect the financial readiness of our nation's armed forces. DCUC and our member credit unions have a long history of supporting service members' financial security, and we would appreciate the chance to provide additional information or answer any questions you may have.

Thank you for your leadership and attention to this critical issue. The men and women of our military deserve strong advocates in Congress to ensure they retain access to the safe, affordable financial services provided by credit unions for decades. I look forward to the possibility of meeting with you and to working together to protect America's military families. Thank you for your continued leadership and consideration.

If you have any questions, please do not hesitate to email me at jstverak@dcuc.org or contact me via the phone at 202.557.8528.

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

CC: Members of the United States Senate