



National Association of Federal Credit Unions


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Fred R. Becker, Jr.
President and CEO

November 2, 2011

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing and
Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Richard Shelby
Ranking Member
Committee on Banking, Housing and
Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Johnson and Ranking Member Shelby: 

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association exclusively representing the interests of our nation's federal credit unions, I am writing in conjunction with tomorrow's hearing, *Empowering and Protecting Servicemembers, their Families and Veterans in the Consumer Financial Marketplace*.

America's credit unions are dedicated to providing the best financial services possible to their members. There is no better example of this than the "defense credit unions" that serve our nation's servicemembers and their families.

As you know, credit unions are not-for-profit entities and operate without the profit motive which fuels many of the unscrupulous and deceptive practices which are far too often perpetrated against Armed Services personnel. By design, the credit union structure is extremely well suited to serve a particular segment of the population, such as the military. Since credit unions are limited to serving those within their field of membership, they must ensure they are meeting the financial services needs of that particular demographic. Additionally, at defense credit unions the volunteer boards of directors, who generally serve without remuneration, are often employees at the base served by the credit union, are typically veterans themselves or have some strong connection to the base served and the military.

Defense credit unions provide a wide variety of financial literacy resources to servicemembers ranging from home buying seminars, to free financial education and retirement planning. Many defense credit unions offer most of their financial

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literacy resources to both members and nonmembers. Defense credit unions on military installations also serve as a resource for Installation Commanders by providing financial literacy classes and personal financial planning for military personnel and their families.

Since defense credit unions are very much in tune with the needs of the military community, they often offer assistance beyond traditional financial resources. For example, some defense credit unions offer pre-deployment checklists to ensure military personnel don't overlook the importance of such matters as establishing power of attorney, updating wills, or notifying their financial institutions of their Servicemember Civil Relief Act (SCRA) eligibility. During the threats of potential government shutdowns and the debt ceiling debate, many defense credit unions were ready to aid servicemembers by offering deferments on loan payments, low or no interest loans, and even covering the full pay of servicemembers with credit union funds until the situation was resolved.

Defense credit unions take serving members of the military and their families extremely serious, and their leadership and staff consistently strive to ensure they receive the best financial services available.

If my colleagues or I can be of assistance to you or you have any questions, please feel free to contact me or NAFCU's Associate Director of Legislative Affairs & Military Liaison, Quincy Enoch, at (703)-842-2261.

Sincerely,



Fred R. Becker, Jr.
President and CEO

cc: Members of the Committee