

## NDAA & how the DoD handles financial institutions located on military installations

**Description:** America's credit unions ask members on the Senate Armed Services Committee (SASC) and House Armed Services Committee (HASC) to reject any language in the National Defense Authorization Act (NDAA) that would seek to provide rent-free access to military installations for profit-centered banks.

### Outlook over the next few months:

The House passed H.R. 7900, the National Defense Authorization Act for FY23 on July 14, 2022. The House NDAA included hundreds of amendments including the SAFE Banking Act, Fair Hiring in Banking Act, and an extension of the Central Liquidity Facility. The House passed FY23 NDAA included no amendments that would provide rent-free access to profit-centered banks.

The Senate Armed Services Committee marked up and advanced their version of the NDAA in June 2022. It included committee report language that requests a briefing regarding how the DoD handles financial institutions located on military installations and a "justification for any differences in the DoD policies that relate to credit unions and banks located on military installations."

It is expected that the full Senate will take up the NDAA in September 2022. Once the Senate votes on the NDAA, it will go to conference to negotiate a final version.

### Talking Points:

- After years of negotiation with the Department of Defense (DoD) and through amendment of the Federal Credit Union Act in 1996, credit unions - at the discretion of the base commander - may be exempted from the costs associated with leases, utilities and ATM placement on military installations.
- This exemption is not guaranteed for every credit union on every military base; it is a negotiation between the base commander and a specific credit union. Banks already have access to the same type of waiver for rent via 10 USC §2667 but have yet to utilize this clause.
- The very nature of credit unions — democratically controlled, not-for profit financial institutions — are to reinvest in its members. Credit unions on military bases are focused on ensuring the financial readiness of America's service members.
- If banks want parity on this issue, banks should offer the same reduced rates, fewer fees, and improved products that their not-for-profit, member-owned counterparts provide.
- Granting rent-free access to our servicemembers' finances would only enrich Wall Street investors at the expense of our military servicemembers.
- We also encourage the Senate to continue to include House-passed NDAA amendments including the SAFE Banking Act, Fair Hiring in Banking and extension of the CLF.

**CUNA Subject Matter Expert:** Abby Gunderson-Schwarz and Courtney Ryan

**Letters we've sent:**

July 13, 2022 CUNA along with other trade groups wrote to Speaker Pelosi and Minority Leader McCarthy and others prior to the floor vote of the FY23 NDAA.

- [CUNA, ICBA, NAFCU, ABA](#) - Letter supporting Amendment #107, authored by Representatives Perlmutter (CO), Velázquez (NY), Davidson (OH), Blumenauer (OR), Joyce (OH), and Lee (CA), which would add the SAFE Banking Act to H.R. 7900.
- [CUNA, DCUC, NAFCU](#) - The letter is regarding H.R. 7900, the National Defense Authorization Act (NDAA) for Fiscal Year 2023. Our associations support amendment #739 by Chairwoman Waters (CA) and amendment #983 by Representative Beatty (OH).
- [CUNA & other trade association](#) - Letter to Chairman McGovern and Ranking Member Cole

*We, the undersigned organizations, write to express our strong support for National Defense Authorization Act (NDAA) amendment #543 offered by Representatives Dean (D-PA), Armstrong (R-ND), Perlmutter (D-CO), Reschenthaler (R-PA), and Escobar (D-TX). We greatly appreciated your support of this same amendment last year, which ultimately passed the House of Representatives as a part of the FY22 National Defense Authorization Act (NDAA).*

June 7, 2022 - CUNA joined DCUC and NAFCU in writing to [the House](#) and [Senate](#) Armed Services Committees prior as the Committees begin their work-up for the FY23 NDAA.

*...FY2023 National Defense Authorization Act, we write once again to express our interest in preserving DoD's discretionary authority to allow credit unions to use land and space on military bases at a nominal rate. Defense credit unions continue to serve our nation's servicemembers and their families exceptionally well.*