



# Louisiana Credit Union League

June 11, 2019

The Honorable Ralph Abraham, M.D.  
United States House of Representatives  
417 Cannon Building Washington, DC 20515

Dear Representative Abraham,

On behalf of the credit unions serving military bases in Louisiana, I write to you today in opposition of the proposed amendment by Representative Trent Kelly (R-MS) regarding the treatment of credit unions and banks for on-base services. If passed, the amendment will provide a new revenue base for the for-profit depository at the expense of the military personnel.

As the only member-owned, democratically controlled option in financial services, credit unions' mission is to promote thrift and provide access to credit for members. It is a mission they have fulfilled for more than 70 years and it's a mission that remains unchanged today. Credit unions are focused on ensuring the financial readiness of our service members and their families. Credit unions provide a valuable service in meeting the needs of our servicemen and women.

After years of negotiation with the Department of Defense 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 that specific credit union. Banks already have the ability via 10 USC §2667 to obtain the same type of waiver for rent. However, banks have not exercised this clause.

This exemption is also limited to credit unions that have at least 95 percent of the membership to be served by the allotment of space or the facility built on the lease land to be composed of individuals who are, or who were at the time of admission into the credit union, military personnel or federal employees, or members of their families.

In return, credit unions are able to continually provide mission essential cash for deployments and daily federal deposit services in addition to quality financial products and services for service members and their families. Finally, credit unions are able to provide stronger community support in the face of morale, recreation and welfare funding shortfalls as credit unions remain the only not-for-profit, member-owned financial institutions on the installation.

Unlike commercial and community banks, savings from this discretionary waiver are directly passed on to the members and their military communities as there are no third-party dividends limiting this support.

We respectfully ask for your opposition and a NO vote to this amendment.

Sincerely,

Bob Gallman  
President/CEO  
Louisiana Credit Union League