



January 12, 2026

The Honorable Mike Johnson  
Speaker of the House  
U.S. House of Representatives  
Room H-232, The Capitol Washington,  
DC 20515

The Honorable John Thune  
Majority Leader  
U.S. Senate  
Room S-230, The Capitol  
Washington, DC 20510

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
Room H-204, The Capitol  
Washington, DC 20515

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
Room S-221, The Capitol  
Washington, DC 20510

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Thune, and Minority Leader Schumer:

We write on behalf of the Defense Credit Union Council (DCUC) and the Association of Military Banks of America (AMBA) to express our unified and strong opposition to the so-called “**Credit Card Competition Act**” (CCCA). DCUC and AMBA represent not-for-profit defense credit unions and military-serving banks dedicated to our nation’s armed forces, veterans, and their families. It is rare for banks and credit unions to speak with one voice, but on this issue, we are united – the CCCA would harm service members and undermine the financial institutions that serve them, all while enriching only big retailers at consumers’ expense. We urge you to reject this misguided legislation and prevent its inclusion in any must-pass bill.

Military families rely on **tailored financial services** that defense credit unions and military banks provide as part of their commitment to our troops. These include low-interest, no-annual-fee credit cards with robust rewards, as well as special programs like deployment-relief loans, debt consolidation plans, financial counseling, and emergency assistance. Such offerings are possible in part because **interchange revenue** (the “swipe fees” from card transactions) helps cover costs and fund these benefits. By slashing that revenue and imposing rigid routing mandates, the CCCA would directly threaten these vital programs and benefits that military households depend on. Smaller on-base credit unions – already operating on slim margins – would struggle to absorb the lost revenue and added compliance burdens. They could be forced

to tighten lending standards, lower credit limits, or even discontinue certain credit products that service members rely on.

In practical terms, junior enlisted service members and their spouses – who often face irregular pay, frequent relocations, and deployment-related expenses – would find it much 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 component of overall military readiness. Our men and women in uniform **deserve better** than to be put in harm's way financially for the sake of boosting retail profit margins.

The CCCA would fundamentally alter how credit card transactions are processed, **forcing card issuers to use networks chosen by the merchant** (ostensibly the cheapest available) rather than allowing us to route through the most secure network of our choice. This mandate would strip away our ability to select proven, **secure and reliable payment networks**, potentially shifting transactions into less-tested or even foreign-controlled networks with **weaker fraud protections**. We are deeply concerned that this would **increase fraud and cybersecurity risks** for millions of cardholders – including deployed service members who can ill afford security breaches while serving abroad. In a deployed environment, no one wants to rely on cash or deal with a compromised card account; such disruptions can jeopardize a service member's focus and mission. By reducing security in the payments system, the CCCA would directly undermine military financial readiness and personal security.

Interchange fees also underwrite many popular consumer **rewards and benefits**. Service members, like other Americans, value credit card perks such as reward points, cash-back rebates, travel miles, zero-fee accounts, and other programs that make financial life more affordable. These features are often subsidized by interchange revenue. If that revenue is slashed, **credit card rewards and benefits will dwindle or disappear**, and consumers may end up paying more in other ways (for example, through new fees or higher interest rates). In short, our military cardholders would lose valuable programs that help stretch their budgets. Yet, **ordinary consumers would not see lower prices at the register in return**. This trade-off is unacceptable for military families who rely on such benefits for a bit of financial breathing room.

Make no mistake: capping interchange or dictating network routing is effectively a form of price control on the payments system. We have seen the negative consequences of this before. After debit card interchange fees were capped by the Durbin Amendment in 2010, consumers saw little to no savings at checkout. In fact, the Federal Reserve found that about **75% of retailers** did *not* pass along their interchange savings as lower prices, and roughly **one in four** retailers **increased prices instead**. Meanwhile, to compensate for lost interchange revenue, many banks were forced to cut back on free checking and debit rewards programs. One study found that debit card reward programs essentially **vanished** for a large portion of consumers after the Durbin controls, and free checking accounts became far less available – banks subject to the cap were **35% less likely** to offer free checking, often raising fees or minimum balance requirements instead. We fear the CCCA would **repeat these failures**, taking away low-cost banking services and rewards from military communities, while ordinary Americans receive none of the promised price relief.

In a time of rising costs, this legislation would effectively raise the cost of basic financial services for those who can least afford it. It could even push military families toward predatory alternatives if mainstream institutions have to pull back their affordable offerings.

Paradoxically, the CCCA is being sold as a “pro-competition” measure, but its effect would be to **skew the marketplace in favor of the largest mega-retailers** at the expense of communitybased financial institutions and small businesses. By forcing down processing costs for big-box retailers (who already wield immense market power), the policy would give those retail giants a windfall, while **smaller banks, credit unions, and merchants** are left at a further competitive disadvantage. This is the opposite of fair competition – in effect, it is a **wealth transfer** from community lenders to a handful of big-box retail chains. In our military communities, where defense credit unions and local banks are a pillar of support, draining interchange revenue would hurt these “Main Street” institutions and could reduce the availability of credit and financial services on installations and in surrounding neighborhoods. Allowing merchants to capture interchange savings while our service members lose benefits and access is simply wrong.

The push for the CCCA comes **not from consumers or the military**, but from major retailers and their lobbyists. Big-box retailers and e-commerce giants back this bill because it would let them route payments over the cheapest networks – maximizing their profits – without any obligation to pass savings on to consumers. In fact, we have every reason to expect the opposite: as history shows, retailers would **pocket the difference** rather than cut prices for shoppers. Nothing in the CCCA guarantees even a cent of savings for our troops at the checkout counter. All it guarantees is a hit to the revenue that currently funds fraud protections and cardholder benefits, and a boost to large retailers’ bottom lines.

It is especially galling that some proponents have tried to **exploit military heroes** to sell this policy – for example, suggesting that Medal of Honor recipients or disabled veterans are somehow burdened by interchange fees at the base commissary. This narrative is misleading. In reality, military commissaries already have **specially discounted interchange rates**, with fees effectively absorbed by the federal government – not by wounded warriors at the register. Touting the CCCA as a way to help veterans save on groceries is a cynical ploy to gain political favor. Our service members and veterans deserve honest solutions, not false promises. They rely on **secure cards with robust protections and rewards**, and those are exactly what this retailer-driven bill would erode.

Banks and credit unions often sit on opposite sides of policy debates – but on the CCCA, we stand fully aligned. National banking and credit union trade associations across the industry – from the American Bankers Association and Independent Community Bankers of America to the Credit Union National Association, DCUC, and AMBA – have **joined forces to oppose the CCCA**. We all warn that government meddling in the credit card market would **reduce consumer choice, increase fraud risks and costs**, and create economic challenges for community financial institutions. In short, everyone who actually serves consumers and military members in the financial sector sees the CCCA as a grave mistake. Tellingly, the only

cheerleaders for this bill are retail lobbyists – not the people entrusted with managing everyday Americans’ bank accounts.

For DCUC and AMBA specifically, our unity on this issue is grounded in our shared mission to support the financial well-being of military communities. Our organizations collectively represent hundreds of banks and credit unions serving millions of service members and veterans nationwide. We may differ in structure – one side comprised of not-for-profit cooperatives, the other of for-profit banks – but we both see that the CCCA would make it harder for us to fulfill our duty to those who serve. This rare consensus between our two sectors underscores that the CCCA is simply **bad policy**. When institutions that normally compete or disagree are jointly raising red flags, Congress should take heed. As a joint letter from our trades recently put it, servicemembers and their families “**deserve better than to become collateral damage in a corporate lobbying fight over interchange fees.**”

America’s service members, veterans, and their families **deserve better** than to be used as pawns in pursuit of retailer profits. We stand ready to work with you on real solutions that strengthen competition and protect consumers **without** jeopardizing the financial well-being of military communities. Thank you for your attention to our concerns and for your continued support of our men and women in uniform.

Sincerely,

Anthony Hernandez



President & CEO  
Defense Credit Union Council (DCUC)

Omuso D. George



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President & CEO  
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