

May 17, 2018

The Honorable Mac Thornberry
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Adam Smith
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Thornberry and Ranking Member Smith,

On behalf of the members of the American Bankers Association, I am writing to express our strong support for an amendment added by Representative Steve Russell (R-OK) to H.R. 5515, the National Defense Authorization Act for Fiscal Year 2019. This amendment would ensure that military communities would continue to enjoy the support of both military banks and credit unions.

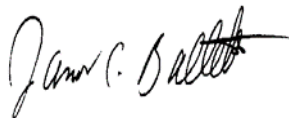
Currently, banks are required to pay rent for the use of facilities on military bases according to a “fair market value.” This value is determined on a facility-by-facility basis, often times with ineffective and unfair outcomes, forcing many banks to leave military bases in recent years. This has led to a paucity of banking options for many military communities that are often only being served by non-federally regulated establishments off base or a credit union on base.

The Russell Amendment to H.R. 5515 would require the Department of Defense to accept the value of services provided by military banks as full payment for any lease, service, and utility costs for the space they occupy on military installations. Similar legislation enacted over a decade ago provides credit unions currently operating on military bases this same benefit. Keeping this amendment as part of H.R. 5515 would allow for the full complement of financial services needed by our military communities.

This much needed reform, which would create parity between banks and credit unions on military bases, is long overdue. We were pleased to see the amendment’s inclusion in H.R. 5515 as the overall package passed out of your Committee by a strong, bipartisan vote of 60-1.

We urge the continued inclusion of the Russell Amendment in H.R. 5515 as the full House takes up this legislation.

Sincerely,



James C. Ballentine

cc: Members of the U.S. House of Representatives