



**DCUC**  
DEFENSE CREDIT UNION COUNCIL

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**Anthony R. Hernandez**  
President/CEO

January 4, 2023

The Honorable Caral E. Spangler  
Assistant Secretary of the Army  
Financial Management and Comptroller  
109 Army Pentagon  
Washington DC, 20310

**Re: Regulatory Concerns with Army's Solicitation for a Credit Union at Fort Detrick**

Dear Ms. Spangler,

On behalf of the Defense Credit Union Council (DCUC) Board of Directors and over thirty-two million members worldwide, I am writing to you in support of Nymeo FCU's efforts to remain the United States Army's financial services provider on Fort Detrick, Maryland. Since 1959, Nymeo has proudly served the Fort Detrick community both on and off the installation and has been an exemplary model for ensuring the financial safety and inclusion for all soldiers and staff stationed at Fort Detrick.

We are increasingly concerned with Fort Detrick's recent solicitation for bids seeking another credit union in anticipation of terminating Nymeo's operating agreement. This action is procedurally inappropriate, does not comply with the DoD's Financial Management Regulation (Volume 12, Chapter 33), and violates several provisions set forth in 32 CFR Part 230. As the Secretary of the Army's designated office for financial policy, we respectfully ask for higher headquarters intervention to terminate this inappropriate solicitation or require proper termination procedures backed by justifiable cause IAW the DoD Financial Management Regulation by installation officials.

First, the installation's course of action seeks to reverse a prior agreement to close Nymeo's on-base branch two years ago using shortcuts not found under current regulations. It is important to recall the previous installation commander, COL Dexter Nunnally, approved this branch closure on October 9, 2020, after a series of studies, member surveys, and a business case analysis. As a result, Nymeo closed its branch and implemented a robust ATM presence. Furthermore, base personnel have the ability to access a full service Nymeo branch located within one mile of the base and Nymeo continues to maintain industry leading online services for its members. Nymeo has since met all requirements within their operating agreement as agreed to and signed by the installation commander and as sanctioned by the Department of the Army.

If Nymeo was not meeting its obligations, the installation commander should have initiated a termination action in accordance with the DoD Financial Management Regulation (Volume 12, Chapter 33, paragraph 330603, section B. "Termination for Cause") starting in December 2019, when negotiations to close the branch were initiated. At the very least, Fort Detrick should have properly documented its intent to terminate the operating agreement and properly notified Nymeo's CEO of its intentions. The Army did neither, leading both myself and Nymeo to believe this matter was closed as late as May 2021.

Second, neither Fort Detrick nor the Army Banking Office publicly disclosed plans to replace Nymeo until May 27, 2022. We subsequently learned the installation previously recommended termination of Nymeo's operating agreement as early as October 1, 2021, in an official memorandum. Per the DoD Financial Management Regulation (Volume 12, Chapter 33, paragraph 330603, section B), such recommendations to

terminate for cause can only happen after discussion with credit union officials. No such discussion or notification regarding a termination for cause took place since the installation approved closure of the branch in October 2020 as previously mentioned. Thus, both the installation and the Department of the Army skipped an important step per the regulation.

When we subsequently asked to see a copy of the memorandum recommending “Termination for Cause,” the Army Banking Office denied our request since they were still “processing” the memorandum. This seemed unfair and immediately raised our suspicions. After multiple inquiries at successively higher levels, we finally obtained a copy of the memorandum on June 6, 2022.

It remains unclear why the Army did not publicly release this memorandum after eight months of internal coordination. It is our understanding neither the Secretary of the Army nor designee approved this recommendation. It is further noted that a credit union cannot be replaced due to a “Termination for Convenience” or the personal preference of the commander as neither are found in the regulation.

As a result, Nymeo’s operating agreement remains in effect. Thus, seeking another credit union without an official termination action also violates 32 CFR Part 230.4, paragraph a, items (4) and (10), which are further implemented in DoD’s Financial Management Regulation (see Volume 12, Chapter 33, paragraph 330102. “Authoritative Guidance”). As such, we believe this solicitation action should be voided pending formal termination actions followed by proper solicitation procedures if a cause for termination can be proven.

Yet, Fort Detrick’s justification for the current solicitation directly conflicts with specific language in DoD’s recent report to both the House and Senate Armed Services Committees (dated 28 July 2022). After taking additional time to coordinate with DoD staff counterparts, the report officially states, “*The Department has not received any comments from military installation commanders or their respective Military Service Secretaries that Service members do not have adequate access to financial institutions.*”

Additionally, DoD emphasizes, “*As of July 2022, there are no domestic DoD installations identified by the military services as lacking adequate access through on-installation and off-installation means.*” Finally, DoD admits that “*the proliferation of digital banking and other online financial services*” allows DoD personnel to “*engage in a wide range of financial services transactions with any number of financial services providers they choose at almost any time, regardless of where either party may be physically located.*” Nymeo currently provides the Fort Detrick community this exact level of service the DoD describes in its report. Seeking another credit union seems more for convenience and personal preference rather than a justifiable cause.

Fortunately, Nymeo desires to continue providing this service as they honor their long history of serving our nation’s soldiers at Fort Detrick. The Defense Credit Union Council is proud of Nymeo’s service and commitment to our soldiers and civilian employees. We believe Nymeo has fully complied with the terms of their local operating agreement and continues to do so. Thus, there is no cause for termination of Nymeo FCU’s operating agreement nor adequate justification for seeking another credit union on the installation.

If there are further questions regarding this matter, please contact me at (202) 734-5007 or at [ahernandez@dcuc.org](mailto:ahernandez@dcuc.org).

Sincerely,



Anthony R. Hernandez

cc: The Honorable David J. Trone, United States Representative, Maryland 6<sup>th</sup> Congressional District  
The Honorable Todd M. Harper, Chairman, National Credit Union Administration  
The Honorable Kyle S. Hauptman, Vice Chairman, National Credit Union Administration  
The Honorable Rodney E. Hood, Board Member, National Credit Union Administration  
Mr. Thomas C. Steffens, Deputy Chief Financial Officer, Department of Defense