

# United States Senate

WASHINGTON, DC 20510

August 28, 2025

Dietrich Kuhlmann  
President and CEO  
Navy Federal Credit Union  
820 Follin Lane SE  
Vienna, VA 22180

Dear Mr. Kuhlmann:

On July 1, 2025, the Consumer Financial Protection Bureau (“CFPB”) terminated its 2024 order against Navy Federal (“Navy Federal”) that required it to pay over \$95 million for its illegal use of surprise overdraft fees and banned further use of these predatory fees.<sup>1</sup> As the nation’s largest credit union, Navy Federal serves roughly 14 million active-duty servicemembers, military families, Department of Defense (“DoD”) staff, and veterans.<sup>2</sup> We write to request information regarding Navy Federal’s plans to ensure that its consumers are made whole.

As the CFPB explained in its order, Navy Federal—in violation of the Consumer Financial Protection Act—charged its customers roughly \$80 million in surprise overdraft fees between 2017 and 2022.<sup>3</sup> Members were illegally targeted in two ways: first, they were charged overdraft fees if their account had a negative balance once a purchase posted—even if the account showed enough money when the purchase was made; second, they were misled to believe that all incoming payments from peer-to-peer services like Zelle were immediately available to spend, even though some payments received after certain cutoff times would not post until the next business day.<sup>4</sup> Members who attempted to use these apparently available funds would then face unexpected overdraft fees. These illegal junk fees cost active duty servicemembers, their families, and veterans tens of millions of dollars,<sup>5</sup> making Navy Federal an industry leader in the amount of fees it levies against its customers. In 2024, Navy Federal collected \$335 million in overdraft fees.<sup>6</sup>

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1 Consumer Financial Protection Bureau, “Order Terminating the Consent Order,” July 1, 2025, [https://files.consumerfinance.gov/f/documents/cfpb\\_navy-federal-credit-union\\_termination-of-consent-order\\_2025-07.pdf](https://files.consumerfinance.gov/f/documents/cfpb_navy-federal-credit-union_termination-of-consent-order_2025-07.pdf); See also: Consumer Financial Protection Bureau, “Navy Federal Credit Union,” <https://www.consumerfinance.gov/enforcement/actions/navy-federal-credit-union-overdraft-2024/>.

2 U.S. News & World Report, “20 Largest Credit Unions in America,” Sebastian Oliveira, June 20, 2025, <https://www.usnews.com/banking/articles/20-largest-credit-unions-in-america>.

3 Consumer Financial Protection Bureau, “CFPB Orders Navy Federal Credit Union to Pay More Than \$95 Million for Illegal Surprise Overdraft Fees,” press release, November 7, 2024, <https://wayback.archive-it.org/23481/20250218051245/https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-navy-federal-credit-union-to-pay-more-than-95-million-for-illegal-surprise-overdraft-fees/>.

4 *Id.*

5 *Id.*

6 National Consumer Law Center, “Top Overdraft Fee Offenders Hitting Civilian, Military Families,” issue brief, April 3, 2025, <https://www.nclc.org/resources/top-overdraft-fee-offenders-hitting-civilian-military-families/>.

The CFPB's 2024 order took a critical first step in both undoing the harm caused by Navy Federal's policies and preventing future offenses. In the consent order, Navy Federal agreed to refund over \$80.6 million in improper overdraft fees to affected consumers and pay a \$15 million civil penalty to the CFPB's victim relief fund, representing the largest amount the CFPB secured from a credit union.<sup>7</sup> To ensure the ongoing protection of Navy Federal's customers, the CFPB banned it entirely from replicating both of its harmful practices: charging overdraft fees when consumers had sufficient funds when the transaction was authorized and delaying the posting of peer-to-peer payments.

By terminating its 2024 order, the Trump Administration has ostensibly enabled Navy Federal to return toward its previous overdraft practices. Navy Federal not only consented to the reversal, but also said it "firmly believe[s] the CFPB's decision to terminate the order was appropriate."<sup>8</sup> This casts uncertainty on Navy Federal's willingness to ensure the millions of veterans, servicemembers, and DoD staff who were directly harmed by these unlawful acts are treated fairly and made whole. Questions also remain about the extent to which Navy Federal will modify its overdraft charge practices for all its members or if the practices that led to the CFPB enforcement action will remain in place.

Given our concerns, we request that you provide answers to the following requests regarding how you intend to avoid charging inappropriate overdraft fees in the wake of CFPB's reversal. Please respond no later than September 12, 2025.

1. Provide a written response describing any and all forward-looking actions that Navy Federal will employ to avoid charging consumers inappropriate or excessive overdraft fees.
  - a. Include any written policy changes that Navy Federal implemented in response to CFPB's 2024 order.
  - b. Include a copy of Navy Federal's current overdraft fees and policies.
  - c. Include references or citations to this information on Navy Federal's website or other publicly available information.
2. Provide a written response describing any and all actions that Navy Federal took to restore account holders harmed by the violations identified in CFPB's 2024 order.
3. The CFPB's order required Navy Federal Credit Union to stop charging certain overdraft fees, which the CFPB found to be illegal and unfair to consumers. Will Navy Federal commit to a ban on these fees even though the CFPB order has been terminated? If Navy Federal has not committed to do so, explain why not.
  - a. Include any references or citations to this commitment on Navy Federal's website or other publicly available information.

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<sup>7</sup> *Id.*

<sup>8</sup> AP News, "Consumer Financial Protection Bureau dismisses \$95M overdraft case vs. Navy Federal Credit Union," Ken Sweet, July 1, 2025, <https://apnews.com/article/navy-federal-credit-union-cfpb-trump-overdrafts-5e010e613b4d867c775573d2e9433870>.

4. The CFPB's order required Navy Federal to repay \$80.6 million in redress to consumers harmed by its exploitative fee practices and \$15 million to the CFPB's victim impact fund.<sup>9</sup>
- a. How much of this settlement was paid (if any)?
  - b. Provide the number of consumers who have received redress for the money they lost in overdraft fees since January 2017.
  - c. Provide the aggregate amount of overdraft fees refunded to Navy Federal accountholders from January 2017 to present.
  - d. Provide the average amount of money refunded to individual Navy Federal accountholders due to overdraft fees since January 2017.
  - e. Will Navy Federal continue paying redress to harmed consumers?
    - i. If not, what will you do with the money set aside for this cost?

Sincerely,



Ruben Gallego  
United States Senator



Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



Bill Foster  
Member of Congress



Maxine Waters  
Ranking Member  
Committee on Financial  
Services

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<sup>9</sup> Consumer Financial Protection Bureau, "CFPB Orders Navy Federal Credit Union to Pay More Than \$95 Million for Illegal Surprise Overdraft Fees," press release, November 7, 2024, <https://wayback.archive-it.org/23481/20250218051245/https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-navy-federal-credit-union-to-pay-more-than-95-million-for-illegal-surprise-overdraft-fees/>.