Of the nearly 5 million veterans receiving compensation or pensions from the Department of Veterans Affairs, about 250,000 collect their benefits on prepaid debit cards or by paper checks, according to the VA. These methods leave veterans more vulnerable to scams, cause them to pay excessive check-cashing fees and make it harder to save.

To address these issues, the VA is teaming up with a consortium of military- and veteran-friendly financial institutions to offer veterans increased banking options, customer service and education. The Veterans Benefits Banking Program (VBBP) offers VA beneficiaries the chance to deposit their funds directly into accounts provided by participating banks and credit unions.

While the VBBP aims to help veterans expand independence and build economic resiliency for those currently lacking banking services, all veterans and families who receive monetary benefits are welcome to participate in the initiative.

“Any veteran currently unhappy with their banking situation can participate or explore this program,” said Joseph Gurney, senior adviser for fiscal stewardship for the Veterans Benefits Administration. “We have eight banks on board, and that gives veterans options to pick and choose what suits them best.”

All the institutions are part of the Association of Military Banks of America (AMBA), which was “formed by bankers who had a common bond in providing financial services to the military, mostly on military installations,” said AMBA CEO Steve Lepper, an Air Force veteran. “They have extensive background in meeting the financial challenges many veteran families face.”

“VBBP offers another way to simplify banking choices to help eligible veterans select the right bank for themselves and their families,” VA Secretary Robert Wilkie said in a press release. “The VA and AMBA are proud to provide this opportunity to connect veterans with banks that understand their needs.”

Unbanked veterans cut across the entire demographic spectrum, said VA Under Secretary for Benefits Paul Lawrence.

“Perhaps you would have thought those are strictly homeless veterans, but they come from all 50 states,” Lawrence said. “They are men and women of all ages and eras.”

No fees are attached when opening a new checking account through this program when veterans sign up to receive their benefits via direct deposit.
Another advantage for veterans who choose to participate in the VBBP is the ability to bank in person, which reduces the likelihood of fraud. According to a 2017 AARP survey, 16% of veterans have lost some money to criminals looking to take advantage of their vulnerabilities, with more than 78% reporting scams aimed at exploiting their military service.

For couples, joint banking accounts are available. But according to Lepper, joint accounts may also be well-suited to caregivers and family members who help manage a loved one’s finances—something he’s personally experienced.

“We live in Florida, my wife’s mom lives in Utah, and she manages her finances,” he said. “Before we moved her mom to an account that had branches in both states, we were faced with doing business over the phone.

“A joint account is not only possible but, in some cases, advisable,” Lepper added, noting that it can help reduce the risk of fraud.

Veteran families may also face challenges accessing credit. For those living paycheck to paycheck, a crisis may prevent them from making ends meet until their next payment. However, with banking access, they can apply for credit, which is much more burdensome and expensive without an account.

Another advantage of choosing to take part in this partnership between AMBA and the VA, said Lawrence, is the additional security associated with a debit or credit card from a bank, opposed to the prepaid cards some veterans currently receive.

**Learn More Online**

To start the process of choosing a bank, veterans can go to [benefits.va.gov/banking](http://benefits.va.gov/banking). From there, they can find an AMBA bank or credit union that best fits their needs.

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