



DCUC
DEFENSE CREDIT UNION COUNCIL

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January 20, 2026

The Honorable French Hill
Chairman
House Financial Services Committee
U.S. House of Representatives

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
U.S. House of Representatives

Dear Chairman Hill and Ranking Member Waters:

On behalf of the Defense Credit Union Council (DCUC), which represents credit unions serving nearly 40 million active-duty service members, veterans, Department of War employees, and their families, thank you for the opportunity to submit our views for the record regarding the legislative proposals noticed for consideration during the House Financial Services Committee's January 21, 2026 hearing, "*Oversight of the Department of Housing and Urban Development and the Federal Housing Administration*." DCUC appreciates the Committee's focus on strengthening housing affordability and supply, improving oversight and accountability of housing programs, and right-sizing regulation for community-based lenders. These efforts reflect a thoughtful approach to remove unnecessary barriers, modernize outdated policies, and bolster the ability of community-focused financial institutions like credit unions to serve consumers and local economies. They will also positively impact military and veteran communities by expanding access to affordable housing and financial services in areas we serve.

DCUC's Views on Legislation Under Consideration

Below are DCUC's views and recommendations on each bill scheduled for consideration, with emphasis on measures that directly or indirectly impact credit unions and the communities we serve:

H.R. 7056 – Community Bank Regulatory Tailoring Act – Recommendation: SUPPORT. DCUC strongly supports H.R. 7056, which would index various asset-based regulatory thresholds to economic growth for community banks *and* credit unions. By automatically adjusting thresholds to nominal GDP, this bill ensures that small and mid-sized credit unions do not unintentionally cross regulatory cut-offs solely due to inflation or industry growth. It promotes a more **right-sized regulatory framework** that scales with the economy, helping community-based lenders focus on serving their members instead of expending resources on compliance burdens intended for much larger institutions. We appreciate that H.R. 7056 explicitly includes credit unions in its tailoring provisions, recognizing parity in relief for our member-owned, not-for-profit institutions alongside community banks. This common-sense modernization will enhance the safety and soundness of the financial system *without* hampering the ability of credit unions to support local families and businesses.

Serving Those Who Serve Our Country

H.R. 5520 – Portal for Appraisal Licensing Act of 2025 – Recommendation: SUPPORT. DCUC strongly supports H.R. 5520, which modernizes the real estate appraisal licensing process by creating a centralized, user-funded portal for appraisers to manage state licenses and fees. Credit unions are active home mortgage lenders and often face **appraiser shortages and lengthy appraisal timelines**, especially in rural or underserved areas where many military families live. By streamlining credentialing and background checks across state lines, this bill will **expand the pool of qualified appraisers** and reduce administrative friction in the appraisal process. The result will be faster, more efficient home-buying and refinancing experiences for our members. Importantly, improving the appraisal infrastructure enhances safety and soundness by upholding high standards while eliminating duplicative red tape. We believe H.R. 5520's approach to a one-stop licensing portal is a prudent use of technology that will benefit consumers, lenders, and the appraisal profession alike.

H.R. 3694 – VALID Act of 2025 – Recommendation: SUPPORT. DCUC strongly supports H.R. 3694, which amends the National Housing Act to require that Federal Housing Administration (FHA) lenders provide prospective borrowers with a comparative disclosure illustrating the terms of a comparable VA-guaranteed home loan. This pro-consumer measure will ensure that **veterans are fully informed** of their home financing options. Many military borrowers are eligible for the VA Home Loan Program, which often offers significant advantages such as no down payment and lower interest rates or fees compared to FHA loans. By mandating a side-by-side cost disclosure, H.R. 3694 empowers veteran borrowers to choose the mortgage that best fits their needs and maximizes their earned benefits. DCUC member credit unions proudly originate VA mortgages for servicemembers and veterans, and we believe this transparency will lead to more veterans accessing the affordable homeownership opportunities they deserve. In short, the VALID Act will help veteran families save money and build equity, and we urge its passage.

H.R. 4568 – Supporting Upgraded Property Projects and Lending for Yards (SUPPLY) Act – Recommendation: SUPPORT. DCUC supports H.R. 4568, which expands FHA mortgage insurance eligibility to certain second-lien loans used to construct accessory dwelling units (ADUs), and directs the government-sponsored enterprises (GSEs) to purchase and securitize these FHA-insured second liens. This innovative proposal will help unlock financing for homeowners to build ADUs – such as garage apartments or in-law suites – on their property. **Increasing ADU development is a creative way to boost housing supply**, including in high-cost communities surrounding military installations where affordable housing is often scarce. By facilitating a secondary market for ADU loans, the SUPPLY Act will encourage lenders, including credit unions, to offer more second-mortgage options for ADU construction. That means more opportunities for families to create rental units or space for multigenerational living, easing local housing shortages and providing homeowners supplemental income. DCUC believes this bill will empower credit unions to support members who want to responsibly expand housing on their properties, thereby benefiting both those families and the broader community with additional affordable housing units.

In addition to the above initiatives that DCUC **strongly supports**, we also **support** or do not oppose the following measures and appreciate the Committee's attention to these issues:

- **H.R. 1640 – HEIRS Act of 2025 – SUPPORT** – Establishes grants and counseling to help families resolve **heirs' property** title issues. This will enable more Americans – including in rural and underserved areas – to **secure clear title to inherited homes and land**, preserving intergenerational wealth and allowing access to credit (such as home improvement loans or mortgages from credit unions) on properties that would otherwise be locked out of the market. We support this effort to help families, including surviving spouses of veterans, retain and invest in their homes.
- **H.R. 5591 – RESIDE Act – SUPPORT** – Creates a pilot program to convert vacant or abandoned buildings into attainable housing. DCUC supports this pragmatic approach to **increase housing stock and revitalize neighborhoods**. Transforming blighted structures into affordable homes will benefit communities and expand homeownership opportunities. Credit unions stand ready to partner in these efforts by providing mortgage financing or renovation loans once properties are made habitable.

- **H.R. 5618 – Housing PLUS Act of 2025 – SUPPORT** – Ensures HUD’s Continuum of Care homeless assistance funds are not denied to “Housing Plus” providers that require wraparound services (like addiction treatment, job training) or that are faith-based, and reserves a portion of funding for such providers. DCUC supports this bill’s recognition that **comprehensive support services can be essential to breaking the cycle of homelessness**, especially for vulnerable populations such as homeless veterans. By allowing housing providers to couple shelter with necessary services, H.R. 5618 will improve outcomes and expand the network of organizations eligible to help those in need.
- **H.R. 6363 – Build Now Act of 2025 – SUPPORT** – Adjusts the formula for Community Development Block Grants (CDBG) to reward communities that **proactively increase their housing supply** and moderately reduce funds for those with lagging housing growth. We support this incentive structure to tackle the housing shortage. It encourages local leaders to cut red tape and promote development, which over time will lead to more affordable housing inventory. As lenders committed to community development, credit unions favor policies that spur construction of homes our members can afford.
- **H.R. 6825 – Public Housing Federal Monitors Accountability Act – SUPPORT** – (Velázquez) Requires any federal monitor or receiver overseeing a troubled public housing agency (PHA) to provide annual reports and to testify before Congress upon request. DCUC supports this push for **greater transparency and accountability** in the management of troubled public housing. Robust oversight will help protect low-income residents (including some military families and veterans) by identifying problems early and pressuring for improvements in living conditions and governance of PHAs.
- **H.R. 7030 – Securing Facilities for Mental Health Services Act – SUPPORT** – Expands the FHA’s hospital mortgage insurance program to include standalone mental health facilities. DCUC supports this change as a means to **expand critical mental health infrastructure** in our communities. Many veterans and military families are affected by mental health challenges, and facilitating the financing of modern treatment centers will ultimately improve access to care. Enabling FHA-backed loans for mental health hospitals can spark investment in badly needed facilities, and credit unions could participate in such financing partnerships to support community health.
- **H.R. ____ – Improving Public Housing Agency Accountability Act – SUPPORT** – (Lawler, discussion draft) Enhances oversight of troubled public housing authorities by requiring regular status reports to HUD and authorizing HUD’s Inspector General to evaluate compliance and housing conditions under receiverships/monitorships. DCUC supports this effort to **ensure public housing agencies meet their obligations** to residents and taxpayers. Strengthening reporting and independent review will help turn around failing housing agencies faster, so they can provide safe, decent housing for low-income families. We believe accountability measures like this ultimately complement other housing reforms by safeguarding the effectiveness of federal housing programs.

Thank you for your leadership in addressing these important issues and for considering DCUC’s perspectives. We are grateful for the Committee’s attention to policies that promote financial inclusion, community development, and consumer protection. Each of the above measures, in its own way, will contribute to a stronger housing finance system and a more resilient economy that better serves Americans – including our nation’s servicemembers and veterans.

Please contact me at Jason.Stverak@dcuc.org with any questions on this or other matters that impact credit unions.

Sincerely,



Jason Stverak
Chief Advocacy Officer
DCUC

CC: Members of the House Financial Services Committee