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DCUC Urges House Budget Leaders to Protect Credit Union Tax Status and Preserve CDFI Funding

WASHINGTON, DC – Today, the Defense Credit Union Council (DCUC) sent a [letter](#) to Chairman Jodey Arrington and Ranking Member Brendan Boyle ahead of the House Budget Committee hearing on “The President’s Fiscal Year 2027 Budget Request,” outlining key priorities for credit unions and the military communities they serve.

In its letter, DCUC noted two critical issues: protecting the longstanding federal tax status of credit unions from being used as a budget offset, and opposing proposed cuts and restructuring to the U.S. Treasury’s Community Development Financial Institutions (CDFI) Fund.

DCUC cautioned against treating the tax status as a “pay-for” in budget or reconciliation efforts, noting that doing so could reduce access to affordable financial services and undermine economic stability. DCUC also raised concerns about potential “backdoor” efforts to erode credit union tax status through duplicative compliance mandates, such as requiring IRS Form 990 filings, which would impose additional burdens without improving transparency.

In the letter, DCUC strongly opposed the suggested reduction and restructuring of the CDFI Fund, warning that cuts would limit access to small-dollar lending, affordable housing support, and community investment, particularly in military-adjacent and underserved areas that rely on these programs.

“The decisions made in the FY2027 budget will have real consequences for financial readiness and resilience, especially for military families and veterans,” says Anthony Hernandez, DCUC President/CEO, Ret. U.S. Air Force Colonel. “Credit unions are a proven, mission-driven model that returns value directly to members, especially in times of financial stress. Policymakers should protect this system by preserving the credit union tax status and maintaining strong support for programs like the CDFI Fund that expand access to safe, affordable financial services.”

DCUC urged the Committee to reject any efforts to use credit union tax status as a budget offset, oppose policies that would indirectly erode that status, and maintain robust funding for the full suite of CDFI Fund programs.

DCUC remains committed to working with Congress to ensure that budget decisions strengthen the ability of credit unions to serve those who serve our nation.

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[The Defense Credit Union Council](#) is the trusted resource and industry champion representing the interests of credit unions by coordinating policy, procedures, legislative initiatives, and regulatory matters impacting the financial readiness, morale, and welfare, and delivery of quality financial products and services to over 143 million members. Organized in 1963 to advocate for credit unions on military bases, DCUC's membership has expanded to include all who serve in communities across America. If you would like more information about this topic, please contact DCUC Communications Manager Haleigh Lavery at hlavery@dcuc.org.