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DCUC Requests Senate Finance Committee Reject Proposed CDFI Fund Cuts

WASHINGTON, DC – The Defense Credit Union Council (DCUC) has sent a [letter](#) to the Senate Finance Committee ahead of its hearing with Treasury Secretary Scott Bessent, urging lawmakers to reject the Administration's proposed reduction and restructuring of the Community Development Financial Institutions (CDFI) Fund and instead preserve the Fund's full statutory program portfolio at no less than the current enacted level of \$324 million.

In its letter, DCUC shared how mission-driven credit unions rely on CDFI resources to provide emergency small-dollar loans, financial counseling, affordable housing support, small-business financing, and community investment in underserved and military-connected communities.

DCUC warned that the Administration's FY 2027 proposal would reduce newly appropriated CDFI resources from \$324 million to \$119.5 million—a 63.1% reduction, while eliminating funding for several longstanding programs, including the CDFI Program, Native American CDFI Assistance Program, Bank Enterprise Award Program, Healthy Food Financing Initiative, Small Dollar Loan Program, and Economic Mobility Corps.

“CDFI credit unions are often the institutions stepping in where traditional financial services have stepped away, providing affordable credit, financial counseling, support for veteran-owned businesses, and investments that strengthen local economies,” says Jason Stverak, DCUC Chief Advocacy Officer. “Congress should reject this proposal and preserve the full statutory mission and funding of the CDFI Fund.”

DCUC noted that reducing CDFI funding could force some military families to rely on higher-cost financial alternatives and weaken community support systems that contribute to military readiness.

In addition to preserving funding, DCUC called for stronger oversight of Treasury's administration of the Fund, and highlighted concerns regarding award-processing delays. DCUC

urged the Committee require that Treasury provide clear execution timelines, quarterly reporting on awards and disbursements, and greater transparency regarding how CDFI resources reach servicemembers, veterans, and military communities.

DCUC also encouraged the Committee to ensure Treasury administers the Fund through clear, workable compliance requirements and maintains sufficient staffing and operational capacity to effectively manage the program.

"Funding alone is not enough. Treasury must also ensure that CDFI resources reach communities efficiently and predictably," says Anthony Hernandez, DCUC President/CEO, Ret. U.S. Air Force Colonel. "Delayed awards, administrative bottlenecks, and unnecessary compliance burdens can undermine the very purpose of the program. We encourage Congress to pair strong funding with strong oversight to improve transparency, accountability, and timely delivery of resources to the communities that depend on them most."

Specific recommendations from DCUC's letter to the Committee leaders included:

- Preserving at least \$324 million in funding for the CDFI Fund and maintain the full existing statutory program portfolio;
- Requiring Treasury to provide program-by-program execution timelines and quarterly reporting on application volume, award-cycle times, obligations, disbursements, and payment timing;
- Directing Treasury to streamline duplicative application requirements and expand technical assistance for smaller CDFI credit unions; and
- Requiring Treasury to report on how CDFI resources are reaching servicemembers, veterans, and communities surrounding military installations.

DCUC reaffirmed that preserving the CDFI Fund's full mission and improving Treasury's execution of the program are essential to ensuring underserved and military communities continue to have access to responsible financial services and economic opportunity.

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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 Laverty at hlaverty@dcuc.org.