



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
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The Honorable French Hill, Chairman
The Honorable Maxine Waters, Ranking Member
[House Committee on Financial Services](#)
Washington, DC 20515

The Honorable Mike Rogers, Chairman
The Honorable Adam Smith, Ranking Member
[House Committee on Armed Services](#)
Washington, DC 20515

The Honorable Tim Scott, Chairman
The Honorable Elizabeth Warren, Ranking Member
[Senate Committee on Banking, Housing, and Urban Affairs](#) Washington, DC 20510

The Honorable Roger F. Wicker, Chairman
The Honorable Jack Reed, Ranking Member
[Senate Committee on Armed Services](#)
Washington, DC 20510

Re: Include Veterans Member Business Lending Reform in the FY2027 NDAA

Dear Chairmen Hill, Scott, Rogers, and Wicker and Ranking Members Waters, Warren, Smith, and Reed:

On behalf of the Defense Credit Union Council (DCUC), I urge you to include the bipartisan Veterans Member Business Loan Act, [H.R. 507](#) and [S. 110](#), in the Fiscal Year 2027 National Defense Authorization Act (NDAA). This is an opportunity to connect two national priorities: helping veterans build successful businesses and strengthening the American supply chains that equip our military. Congress should remove an outdated lending barrier that stands between qualified veteran entrepreneurs and the capital they need to grow.

[Founded in 1963](#), DCUC represents [more than 200 credit unions serving 47 million members with over \\$525 billion in combined assets](#). Our members support servicemembers, [National Guard and Reserve personnel, veterans, military families](#), and their communities at home and abroad. Our mission, [Serving ALL Who Serve](#), connects financial readiness during military service with economic opportunity afterward. Helping veterans build businesses is an extension of that commitment.

The Small Business Administration's [Smaller War Plants Commission](#) makes the case for action. [Established August 25, 2026](#), with the Department of War, the initiative seeks to expand domestic production, improve access to capital, and support small defense suppliers. SBA reports that small businesses comprise more than 70 percent of the defense industrial base. Its priorities include shipbuilding components, electronics, batteries, sensors, and other capabilities essential to our warfighters. DCUC welcomes this focus on the businesses behind military readiness.

Serving Those Who Serve Our Country

But identifying a supplier does not finance a factory. Encouraging a veteran to compete for a contract does not purchase equipment, cover payroll, or pay for materials up front. Washington cannot call for a stronger industrial base while leaving unnecessary obstacles in the path of responsible financing.

Consider a veteran-owned machine shop preparing to compete for a shipbuilding subcontract. The owner may need a new precision tool, additional employees, and working capital to buy materials. Or consider a veteran-owned electronics business seeking to expand production for a defense supplier. In either case, the financing question should be very straightforward: can a qualified borrower obtain the resources needed to turn an opportunity into production?

For credit unions subject to the [statutory member business lending cap](#), aggregate business lending is generally limited to 12.25 percent of assets. That ceiling can prevent additional lending even when an individual veteran presents a sound business plan and the credit union is prepared to lend responsibly. A limit on the institution's overall portfolio should not substitute for a careful evaluation of the borrower's ability to repay.

H.R. 507 and S. 110 offer a targeted solution by [excluding qualifying extensions of credit made to veterans](#) from the statutory member business loan definition. The legislation creates no new federal lending program, appropriates no new loan funds, and provides no new government guarantee. Credit unions would remain accountable for underwriting, capital, liquidity, and safe lending. We are asking Congress to remove a barrier, not remove responsibility.

This reform would complement SBA's work, not duplicate it. [Federally guaranteed portions of loans](#) already receive favorable treatment under the cap calculation. However, unguaranteed portions and other business financing can still count toward the limit. A veteran lending exemption would provide additional flexibility beyond those existing exclusions. SBA assistance and responsible credit union lending should work together to help qualified entrepreneurs finance growth, rather than leave gaps that undermine federal industrial priorities.

The financing challenge deserves attention. [Federal Reserve research](#) finds that majority-veteran-owned firms are less likely to receive all the financing they seek despite having credit risk similar to their counterparts. That finding should concern anyone serious about expanding America's productive capacity. We should be widening responsible financing options for these entrepreneurs, not accepting barriers that can keep viable businesses from pursuing their next stage of growth.

For defense credit unions, supporting veterans is a [continuation of our mission](#), not a new assignment. Veterans deserve the opportunity to present a business proposal to a lender that understands their community. Their service does not guarantee loan approval, but neither should an arbitrary aggregate cap foreclose an otherwise responsible loan.

DCUC and The American Legion [jointly urged congressional leadership](#) to pass this legislation on January 21, 2026. Our [September 8 NDAA letter](#) renewed the request and called for coordination among your committees. The Smaller War Plants Commission gives that coordination added urgency. Congress now has a clear opportunity to align veteran economic opportunity, private lending capacity, and the national effort to strengthen military supply chains.

More viable domestic suppliers could mean additional production options, stronger local workforces, and less vulnerability when a critical source is disrupted. This legislation would not solve every supply-chain problem. It would remove one avoidable financing obstacle and help more veterans compete to become part of the solution. A stronger defense supply chain needs smaller businesses ready to deliver and lenders able to support them.

I respectfully ask the House Financial Services and Senate Banking Committees to agree on workable veteran lending language and coordinate with the House and Senate Armed Services Committees to secure its inclusion in the final NDAA. Resolve technical questions now. Build the bipartisan agreement now. Do not allow this practical reform to disappear in the final negotiations when it can advance the readiness goals those negotiations are intended to serve.

Our veterans defended this country. Give them a fair opportunity to help build the businesses that sustain its defense. Please include the Veterans Member Business Loan Act in the FY2027 NDAA and deliver this commonsense reform to the President's desk.

Serving ALL Who Serve,



Jason Stverak
Chief Advocacy Officer
DCUC