DCUC
DEFENSE CREDIT UNION COUNCIL

1627 Eye St, NW
Suite 935
Washington, DC 20006

202.734.5007
www.dcuc.org

Jason Stverak
Chief Advocacy Officer

November 3, 2026

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
House Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable John Thune
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Senate Minority Leader
United States Senate
Washington, DC 20510

Enact credit union priorities before the 119th Congress ends

Dear Speaker Johnson, Leader Jeffries, Leader Thune, and Leader Schumer:

Today, as Americans cast their ballots on Election Day, I urge you to commit to completing the unfinished work of the 119th Congress on behalf of credit unions and the military and veteran communities they serve. Please enact the Veterans Member Business Loan Act, federal credit union loan-maturity reform, and permanent Central Liquidity Facility reform through the Fiscal Year 2027 National Defense Authorization Act (NDAA) or another must-pass legislative vehicle before this Congress ends. The election will shape the next Congress. It does not diminish this Congress's responsibility to deliver results in the weeks remaining.

The Defense Credit Union Council (DCUC) represents more than 200 credit unions serving 47 million members and holding more than $525 billion in combined assets. Our members serve active-duty servicemembers, National Guard and Reserve personnel, veterans, military families, and the communities that sustain our national defense. They need congressional action that helps them extend responsible credit and remain dependable financial partners through deployments, relocations, and financial disruptions.

This request builds on our May 4, 2026, NDAA recommendations and our September 8, 2026, letter to your offices seeking a financial services section in the FY2027 NDAA. We now ask you to turn those recommendations into an agreement that can pass both chambers and reach the President's desk.

Expand access to capital for veteran entrepreneurs

Please include the Veterans Member Business Loan Act, H.R. 507 and S. 110, championed by Representatives Vicente Gonzalez and Brian Fitzpatrick and Senators Dan Sullivan and Mazie Hirono. The legislation would exclude qualifying extensions of credit made to veterans from the statutory definition of a member business loan used to apply the aggregate lending cap.

Veterans bring leadership, technical experience, and determination to business ownership, but still need financing to buy equipment, meet payroll, and grow. A September 2025 Government Accountability Office report identified barriers including difficulty establishing credit and business relationships after relocation, limited business networks, and lenders' unfamiliarity with skills gained during military service. Even a viable business can lose opportunities when it receives only part of the financing it needs.

The Federal Reserve's 2026 Chartbook on Veteran-owned Firms, based on the 2025 Small Business Credit Survey, found that 38 percent of majority-veteran-owned small employer firms reported credit-availability

challenges, versus 28 percent of firms with no veteran ownership. Among firms facing financial challenges, 62 percent of majority-veteran-owned firms used personal funds, versus 53 percent of firms with no veteran ownership. Among majority-veteran-owned applicants for loans, lines of credit, or merchant cash advances, 17 percent were denied and 30 percent were partially approved. These findings reinforce our joint appeal with The American Legion, publicized in January 2026, for expanded access to responsible credit.

Credit unions can help meet that need, but federal law restricts aggregate member business lending at institutions subject to the cap. The ceiling is generally 12.25 percent of assets and can be lower depending on net worth. It can prevent an otherwise qualified veteran from obtaining a loan from a willing credit union because of the institution's total business lending, even when the individual application meets its lending standards. Congress should allow qualifying veteran loans to be evaluated on their merits without counting against that aggregate ceiling.

Our October 2026 appeal to the financial services and armed services committees also explained the connection to defense production. Veteran-owned suppliers need working capital and equipment financing to compete for contracts and deliver products and services. An opportunity to bid does little good if a capable business cannot finance the work. Expanding responsible lending can help veterans build lasting civilian careers while strengthening the communities and suppliers that support military readiness.

This legislation creates no new federal lending program, appropriates no new loan funds, and provides no new government guarantee. Credit unions would continue to assess repayment capacity, manage concentration risk, and comply with applicable safety-and-soundness requirements. Veteran status would not guarantee approval. It would remove an unnecessary statutory obstacle to a responsible lending decision.

Modernize federal credit union loan maturities

Please also include the Expanding Access to Lending Options Act, H.R. 4167 and S. 3616. The proposal would raise the general federal credit union loan-maturity limit from 15 to 20 years and authorize the National Credit Union Administration (NCUA) Board to allow longer maturities by regulation. It would also remove the principal-residence restriction from the specified first-lien residential mortgage provision. Existing exceptions already permit longer terms for certain loans; the current 15-year limit does not apply to every federal credit union loan or mortgage.

The reason for reform is practical. A loan's repayment schedule should reasonably reflect the useful life of the asset being financed and the borrower's ability to repay. Compressing a sound, long-term financing need into an unnecessarily short term can raise the required monthly payment and put an otherwise manageable loan beyond a household's reach. Greater flexibility would help federal credit unions structure financing for suitable longer-lived investments while preserving NCUA oversight.

As our earlier NDAA letters explained, this matters for military families whose assignments determine where they live. A servicemember stationed far from the community where the family plans to retire may need financing for a future home before occupying it as a principal residence. The legislation would give federal credit unions greater room to consider appropriate financing for those circumstances, subject to the remaining statutory conditions and sound underwriting.

Longer terms can reduce required monthly payments for the same principal and interest rate, although they generally increase total interest paid. Credit unions should explain that tradeoff and continue to manage interest-rate, credit, and liquidity risks. Congress should provide the flexibility to offer a suitable term; individual borrowers and their credit unions should determine whether using it makes sense. Responsible modernization can improve affordability without directing institutions to make unsuitable loans.

Restore permanent and workable CLF access

Finally, please include the Padilla–Cramer NCUA Central Liquidity Facility Enhancements Act, S. 3575, or equivalent permanent agent-membership reform. The Central Liquidity Facility (CLF) provides a federal source of contingent liquidity for credit unions. It helps institutions prepare to meet liquidity needs when ordinary funding channels are strained.

Our June 24, 2026, NDAA letter explained how temporary pandemic-era enhancements broadened access and how their expiration weakened that protection. In congressional testimony, NCUA reported that 3,322 credit unions with less than $250 million in assets lost CLF access when the temporary enhancements expired on January 1, 2023. That experience demonstrates why access should rest on durable law rather than temporary authority that can disappear between crises.

S. 3575 addresses a specific obstacle: a corporate credit union acting as an agent would be able to purchase the required CLF capital stock for a subset of the credit unions it serves, rather than face an all-members requirement. Making this flexibility permanent would make participation more practical, especially for smaller institutions, and support contingency planning before a disruption occurs. This targeted agent-membership change should be enacted now.

For defense credit unions, dependable liquidity supports the ability to serve members through sudden withdrawals, natural disasters, and other funding pressures. Military families depend on that continuity when their own finances are under strain. The CLF is capitalized by member credit unions and uses an existing federal borrowing framework; loans remain subject to applicable requirements. NCUA has reported that the Congressional Budget Office scored these CLF reforms at no cost to taxpayers. Permanent access would strengthen preparedness while preserving credit unions' responsibility for prudent liquidity management.

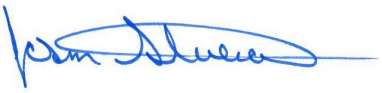
Complete this work before the 119th Congress ends

I respectfully ask the four of you to direct your staffs and the relevant committees to resolve any remaining technical differences and secure an agreement on these three priorities during the post-election session. Please include them in the final FY2027 NDAA where a bipartisan agreement permits. If that vehicle cannot accommodate them, carry the agreed provisions in another must-pass measure, including an appropriate year-end legislative package. The objective must be enactment before adjournment, rather than another cycle of reintroduction and delay.

Coordination among the House Financial Services Committee, Senate Banking Committee, and House and Senate Armed Services Committees can produce a focused package that respects their jurisdictions and the NDAA's defense mission. These bipartisan proposals deserve a place in the final negotiations. Their benefits reach veterans starting businesses, families seeking manageable financing, and communities relying on credit unions during an emergency.

Whatever voters decide today, veterans and military families will still need access to dependable financial services tomorrow. With Veterans Day approaching, Congress has an opportunity to honor service through concrete action. Please use the remaining weeks of this Congress to deliver these reforms. DCUC stands ready to work with your offices on legislative language and to provide examples from the institutions and members directly affected.

Serving ALL Who Serve,



Jason Stverak
Chief Advocacy Officer
DCUC

Cc: Members of the United States Senate and the United States House of Representatives