DCUC
DEFENSE CREDIT UNION COUNCIL

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September 8, 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

Re: Request for a Financial Services Section in the Fiscal Year 2027 National Defense Authorization Act

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

On behalf of the Defense Credit Union Council (DCUC), I respectfully request that, as negotiations proceed on the Fiscal Year 2027 National Defense Authorization Act (NDAA), congressional leadership work toward including a dedicated financial services section in the legislation. Where bipartisan agreement and the legislative process permit, such a section would provide a valuable opportunity to advance practical financial services reforms that strengthen the institutions, households, and communities supporting our national defense.

As that section is developed, we hope it will include three priorities DCUC has raised in our previous NDAA correspondence: permanent Central Liquidity Facility enhancements, modernization of federal credit union loan-maturity authority, and the Veterans Member Business Loan Act. These proposals offer constructive ways to reinforce financial resilience, expand responsible financing options, and support veterans pursuing business ownership.

Our request builds on DCUC's previous letter to the House and Senate Armed Services Committees and our subsequent NDAA recommendations to House leadership. In those communications, we identified targeted credit union reforms that could make a meaningful contribution to military financial readiness. We now ask leadership to establish a financial services section through which these and other appropriate, bipartisan proposals can receive consideration.

We recognize that the scope and contents of any such section will depend on negotiations among leadership and the committees of jurisdiction. DCUC welcomes that process and stands ready to contribute constructively. Our hope is that a broader financial services agreement will recognize the importance of credit unions to military communities and include the priorities outlined below.

A Financial Services Section Can Complement the NDAA's Defense Mission

The NDAA's central purpose must remain strengthening national defense and supporting the people entrusted with carrying out that mission. A carefully developed financial services section can complement that purpose by addressing the financial foundations that help sustain servicemembers, veterans, and their families.

Military financial readiness requires more than responding to a household emergency after it occurs. It also requires institutions capable of maintaining service during disruption, financing options suited to legitimate long-term needs, and opportunities for veterans to build economic security after military service.

Congress should consider these needs together. The capacity of a credit union to obtain contingent liquidity, the terms it can offer a qualified borrower, and its ability to finance a veteran's business are different policy questions. Yet each can influence whether a military-connected household has access to appropriate financial assistance when it matters.

A dedicated financial services section would create a coherent setting for examining such proposals, reconciling differences between the chambers, and assembling an agreement supported by the relevant committees. It would also allow leadership to distinguish constructive reforms from provisions that lack sufficient agreement or an appropriate relationship to the legislation.

We are not suggesting that every financial services proposal belongs in the NDAA. We are encouraging leadership to create an opportunity for a focused, negotiated package rather than foreclose that possibility before discussions have run their course.

Within that framework, DCUC hopes the following three priorities will be included.

Permanent Central Liquidity Facility Enhancements

We hope a financial services section will include the **Padilla–Cramer NCUA Central Liquidity Facility Enhancements Act, S. 3575**, or substantially similar provisions making agent-member participation more workable and permanent.

As DCUC explained in our June 24, 2026, NDAA letter supporting CLF enhancements, credit unions need dependable access to contingent liquidity before financial stress develops. Temporary improvements broadened access to the facility, but their expiration at the end of 2022 reversed much of that progress. Congress should use that experience to establish a durable participation framework rather than rely on repeated temporary measures.

The proposal addresses a specific obstacle in the agent-membership structure. S. 3575 would permit a corporate credit union acting as an agent to purchase the required CLF capital stock on behalf of a subset of the credit unions it serves, rather than face an all-members requirement. That flexibility would make participation more practical and help extend access to institutions that may encounter barriers to participating individually.

For defense credit unions, the objective is continuity of service. Military households should be able to rely on their financial institutions during deployments, relocations, emergencies, and other periods of uncertainty. Preparing for those circumstances requires more than a commitment to help; it requires established operational and liquidity arrangements.

Permanent agent-member flexibility would allow institutions to incorporate CLF access into their contingency planning with greater confidence. It would support preparation before a disruption rather than leave institutions dependent on Congress revisiting temporary authority during one.

This is not a substitute for prudent liquidity management, adequate capital, or sound supervision. It is an improvement to an existing contingency mechanism. Credit unions would remain responsible for managing their financial condition and satisfying applicable requirements for borrowing.

The policy principle is straightforward: access to an emergency liquidity mechanism should be established before an emergency, not reconstructed in response to it. We hope permanent CLF enhancements will be part of the agreement developed for an NDAA financial services section.

Modernization of Federal Credit Union Loan-Maturity Authority

We also hope the section will include the **Expanding Access to Lending Options Act, H.R. 4167 and S. 3616**, or negotiated language that meaningfully modernizes federal credit union loan-maturity authority.

DCUC included this priority in our earlier NDAA recommendations because responsible financing should reflect contemporary borrowing needs and the economic life of the asset being financed. An unnecessarily restrictive statutory framework can limit a credit union's ability to structure an otherwise prudent loan.

The House proposal, H.R. 4167, would raise the general federal credit union loan-maturity limit from 15 to 20 years and allow NCUA to authorize longer maturities through regulation. It also would remove the principal-residence restriction within a specified residential mortgage provision. These are targeted changes; they should not be understood as suggesting that every federal credit union loan or mortgage is currently subject to a 15-year limit.

The broader policy objective is to give qualified borrowers and responsible lenders more suitable options while preserving regulatory oversight. Loan terms should reflect repayment capacity, collateral, the purpose of the financing, and the institution's ability to manage risk.

Consider the difference between financing a short-lived purchase and financing a long-term property investment. A sound lending framework should permit those circumstances to be evaluated differently. Similarly, a servicemember planning for a future retirement home while stationed elsewhere should have an opportunity for an appropriate financing assessment, subject to underwriting and applicable safeguards.

Longer repayment terms are not automatically better. For a given loan amount and interest rate, a longer term generally lowers the required monthly payment but increases total interest paid. That tradeoff underscores the importance of clear disclosures and careful consideration of the borrower's long-term interests.

Modernization would provide flexibility, not require its use. Credit unions should remain accountable for prudent underwriting, interest-rate risk management, liquidity planning, and the suitability of the financing offered.

Congress can modernize lending authority without weakening lending discipline. We hope a negotiated financial services section will include a workable agreement on loan maturities that provides meaningful flexibility under NCUA oversight.

The Veterans Member Business Loan Act

Finally, we hope the financial services section will include the **Veterans Member Business Loan Act, H.R. 507 and S. 110**.

This legislation addresses a direct question of veteran economic opportunity: whether a credit union should be prevented by an aggregate statutory lending restriction from considering an otherwise sound business loan to a veteran.

The Veterans Member Business Loan Act would exclude qualifying loans made to veterans from the statutory member business loan definition used in applying the aggregate lending limitation. It would remove a specific constraint without requiring approval of any individual loan or establishing a new federal financing program.

DCUC has consistently raised this proposal in our NDAA advocacy because supporting veterans should include helping them access responsible opportunities after military service. We also joined The American Legion in a January 2026 letter to congressional leadership urging passage of the legislation.

The issue is not whether veteran status should replace an assessment of business viability or repayment capacity. It should not. The issue is whether an institution-wide lending ceiling should prevent a willing credit union from evaluating a qualified veteran's request on its merits.

A veteran seeking to acquire a business, purchase equipment, expand an operation, or pursue a new enterprise should have the opportunity to present that proposal to a responsible lender. The credit union should then make its decision based on the borrower, the business, and the risks

involved not be foreclosed from proceeding solely because of its aggregate statutory allowance.

The legislation would not create an entitlement to credit, waive underwriting requirements, or transfer the underlying business risk to the federal government. Credit unions would remain responsible for sound lending decisions and compliance with applicable supervisory requirements.

An exclusion from the aggregate business lending cap is not an exemption from prudent lending. Congress can expand opportunity for veterans while preserving the safeguards that protect credit unions and their members.

We hope this longstanding, targeted proposal will be included in the financial services agreement considered for the NDAA.

Establish the Opportunity, Then Build a Bipartisan Agreement

Our immediate request is for leadership to work toward establishing a financial services section in the FY2027 NDAA. As the contents of that section are negotiated, we respectfully ask that these three credit union priorities receive serious consideration and, we hope, be included in the resulting agreement.

We encourage coordination among the House and Senate Armed Services Committees, the House Financial Services Committee, and the Senate Banking Committee. Their combined expertise can help identify provisions with bipartisan support, resolve technical differences, and ensure that the final language is workable.

Beginning that coordination early would improve the opportunity for meaningful review. It would also help prevent otherwise viable proposals from being left unresolved simply because an appropriate legislative framework was not developed in time.

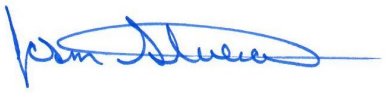
We recognize the competing demands on the NDAA and the importance of completing it without unnecessary delay. A financial services section should facilitate agreement, not become an obstacle to defense authorization. Its scope should be disciplined, its provisions carefully considered, and its development grounded in cooperation among the committees of jurisdiction.

DCUC offers our previous NDAA letters and these three priorities as a substantive contribution to that process. Permanent CLF enhancements would improve preparedness. Loan-maturity modernization would support more appropriate financing options. The Veterans Member Business Loan Act would remove an avoidable barrier to responsible veteran lending.

A well-constructed financial services section can strengthen the NDAA's support for the people and communities sustaining our national defense. We respectfully urge you to pursue that opportunity, and we hope the resulting section will include these practical credit union reforms.

Thank you for your leadership and consideration. DCUC looks forward to working with your offices and the relevant committees as these discussions advance.

Sincerely,



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DCUC
Serving ALL Who Serve

cc: House and Senate Armed Services Committees; House Financial Services Committee; Senate Banking, Housing, and Urban Affairs Committee