



**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*

March 17, 2025

The Honorable Tim Scott  
Chairman  
Banking, Housing and Urban Affairs Committee  
United States Senate  
Washington, DC 20510

The Honorable Elizabeth Warren  
Ranking Member  
Banking, Housing and Urban Affairs Committee  
United States Senate  
Washington, DC 20510

The Honorable French Hill  
Chairman  
Financial Services Committee  
House of Representatives

The Honorable Maxine Waters  
Ranking Member  
Financial Services Committee  
House of Representatives

Dear Chairman Scott, Ranking Member Warren, Chairman Hill and Ranking Member Waters,

On behalf of the Defense Credit Union Council (DCUC) and our member credit unions serving the military and defense community, I write to express our concerns regarding a recent executive order signed by President Trump that calls for eliminating the Community Development Financial Institutions (CDFI) Fund. DCUC represents credit unions stateside and overseas serving military and veteran communities as well as their families, encompassing over 40 million members and having over \$525 billion in assets. Many of these credit unions operate in and around military installations and underserved areas, where the CDFI Fund has been a lifeline for expanding access to affordable financial services. We strongly urge your committees to exercise oversight and seek clarity on this executive action, which poses risks to our members' ability to serve their communities.

### **The CDFI Fund's Importance to Credit Unions and Underserved Military Communities**

The CDFI Fund is a critical resource that helps mission-driven credit unions provide capital and financial services in economically distressed communities. As of January 2025, there are 495 certified CDFI credit unions nationwide, collectively serving millions of residents in low-income and underserved areas. These include military base communities and veteran populations. Military installations are often located in rural or lower-income regions lacking adequate financial infrastructure, and a large portion of junior enlisted servicemembers meet the CDFI Fund's "Low-Income Targeted Population" criteria. The CDFI Fund's grants and programs have enabled credit unions to offer affordable loans, financial education, and development services tailored to the needs of these populations. In fact, credit unions have used CDFI awards to open branches in banking deserts, provide emergency small-dollar loans to military families, and invest in local economic development projects. Eliminating the CDFI Fund would directly undermine these efforts and harm many of the working families, servicemembers, and veterans who rely on credit unions for their financial well-being.

## Concern Over the Executive Order Eliminating the CDFI Fund

The executive order in question, signed on March 14, 2025, identifies the CDFI Fund as one of several federal entities deemed “unnecessary,” mandating the elimination of its non-statutory functions “to the maximum extent consistent with applicable law.” We are alarmed by this directive and its potential impact on community-focused lenders. Eliminating the CDFI Fund in its entirety—if carried out—would essentially strip away critical funding streams that credit unions and other community development financial institutions use to serve high-need areas. This policy shift raises numerous questions and uncertainties for institutions like the ones we represent that have actively partnered with the CDFI Fund to fulfill their mission. We respectfully request answers to the following key questions, which are vital to understanding the practical implications of this order:

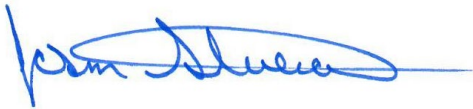
- 1. Is the CDFI Fund being eliminated in its entirety?** – We seek confirmation on whether the intent is to completely dismantle the CDFI Fund, or merely to scale back certain activities. Will any statutory core functions or components of the CDFI Fund remain in place, or is the Fund as a whole slated for closure? Clarity on this point is essential for our planning purposes.
- 2. What specific programs or funding streams are being curtailed or eliminated?** – The CDFI Fund administers several important programs, such as Financial Assistance and Technical Assistance grants, the Native American CDFI Initiative, and others. We ask which of these programs are targeted for cuts under the executive order. Understanding which funding streams are affected will help communities and institutions gauge the scope of impact.
- 3. What are the practical implications for financial institutions currently utilizing CDFI grants?** – Many credit unions and other CDFIs are currently deploying CDFI grant funds for community development projects and specialized financial services. If the CDFI Fund is eliminated or its funding halted, what immediate effect will this have on institutions that were awarded grants? For example, will previously approved grant disbursements be honored, and should institutions prepare for a loss of expected resources? We also seek guidance on whether CDFI-certified credit unions will face any changes to their certification status or compliance requirements in light of this order.
- 4. What happens to current grant recipients and ongoing projects?** – Do projects and initiatives launched with CDFI Fund support simply stop? Will there be any provisions to transition or wind down ongoing projects in underserved communities? Many current grant recipients have made commitments to build facilities, create lending programs, hire staff, etc., based on the expectation of multi-year CDFI funding. We urge clarification on how those existing commitments will be treated. In particular, what is the plan for current CDFI Program awardees, and will they be allowed to carry out their projects to completion? If not, how will the administration mitigate the harm to communities left without the promised investments?

These questions reflect the serious uncertainty and potential disruption facing community-focused credit unions and the populations we serve. We believe it is imperative for Congress to exercise robust oversight in this matter. The CDFI Fund was created by Congress in 1994 with a mission to “promote economic revitalization and community development” through investments in local financial institutions. That mission remains as important today as ever. Indeed, in recent years, Congress has repeatedly affirmed the value of the CDFI Fund’s work—for example, by continuing to fully fund its grant programs even when past administrations proposed cuts. This bipartisan support exists because lawmakers have seen the tangible benefits the Fund delivers in their districts: small businesses financed, affordable housing developed, and consumers given alternatives to predatory lending, all through CDFI partnerships. Given this track record, any move to eliminate or defund the CDFI Fund warrants thorough scrutiny by the legislative branch.

We urge your committees to closely oversee and oppose any efforts to dismantle the CDFI Fund without clear justification and a plan to protect the communities served. Congressional oversight hearings or inquiries should press for answers to the questions above, ensuring that policymakers and the public understand the full implications before such a consequential action proceeds. Ultimately, we ask that you work with your colleagues to ensure continued support and funding for credit unions and other CDFIs so that we can carry on our vital work in underserved and military communities. If the executive order cannot be reversed outright, then we hope Congress will explore legislative remedies to preserve the CDFI Fund's most critical functions or establish alternative means for community development financing that credit unions can access. The men and women of our armed forces, and millions of other Americans in low-income neighborhoods, are counting on the continuity of these resources.

Should you or your team have any questions or desire additional information, please do not hesitate to contact me at 202.557.8528 or by email at [jstverak@dcuc.org](mailto:jstverak@dcuc.org).

Sincerely,



Jason Stverak  
Chief Advocacy Officer  
DCUC

CC: House Financial Services Committee Members and Senate Banking, Housing and Urban Affairs Members