



DCUC
DEFENSE CREDIT UNION COUNCIL

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June 2, 2026

The Honorable Mike Crapo
Chairman
Committee on Finance
U.S. Senate

The Honorable Ron Wyden
Ranking Member
Committee on Finance
U.S. Senate

Re: Hearing on “The President’s Fiscal Year 2027 Budget for the Department of the Treasury”

Dear Chairman Crapo and Ranking Member Wyden:

On behalf of the Defense Credit Union Council (DCUC), I respectfully urge the Committee, in its June 3 hearing with Treasury Secretary Scott Bessent, to reject the proposed reduction and restructuring of the Community Development Financial Institutions Fund and instead preserve the Fund’s full statutory program portfolio at no less than the current enacted level of \$324 million. DCUC’s recent letters to Congress and Treasury consistently argue that FY 2027 should protect broad CDFI authorities, improve Treasury execution and transparency, require prompt award disbursement, and recognize that mission-driven credit unions use CDFI support to deliver safe emergency credit, financial counseling, small-business finance, and community investment in underserved and military-connected markets.

First, Congress should reject the Administration’s CDFI cut and restructuring proposal. DCUC’s April 21, 2026 letter for the Senate Appropriations Treasury budget hearing urged Congress to provide “no less than \$324 million” and preserve the full statutory program suite. Treasury’s own FY 2027 CDFI justification confirms why that request is appropriate: the Administration would reduce newly appropriated CDFI resources from \$324 million in FY 2026 to \$119.5 million in FY 2027, a 63.1 percent cut, while zeroing out separate funding for the CDFI Program, Native American CDFI Assistance, the Bank Enterprise Award Program, Healthy Food Financing Initiative, the Small Dollar Loan Program, and Economic Mobility Corps.

Second, this issue is not abstract for defense credit unions or the communities surrounding military installations. DCUC’s 2025 letters repeatedly explain that CDFI-backed credit unions use these resources to open branches in banking deserts, provide emergency small-dollar loans, support affordable housing and veteran entrepreneurship, and offer financial readiness services in communities where larger institutions have retreated. DCUC also warned that weakening the Fund would push some military families back toward higher-cost or predatory alternatives and would undercut local resilience in areas that directly support military readiness. Those concerns are especially clear in DCUC’s May 5, 2025 Treasury oversight letter, June 10, 2025 Ways and Means hearing letter, and July 8, 2025 Senate appropriations letter.

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Third, Congress should pair FY 2027 funding with execution oversight. Treasury's FY 2027 CDFI justification reports an FY 2025 all-award cycle time of 10.9 months against a 6.5-month target, and it states that no initial disbursements had yet been completed for awards announced during calendar year 2025. DCUC's April 21, 2026 letter therefore recommended a post-enactment execution plan, a consolidated application and award calendar, quarterly reporting on obligations and disbursements, and clearer reporting on how CDFI dollars reach servicemembers, veterans, and communities near military installations. Those are practical, hearing-ready oversight asks that would improve accountability without undermining the Fund's mission.

Fourth, the Committee should insist that Treasury administer the Fund through clear, workable rules and stable operational capacity. After Treasury announced forthcoming PRWORA-related and anti-discrimination compliance changes on April 9, 2026, DCUC urged Treasury to engage CDFI credit unions on clear definitions, workable verification standards, safe harbors, transition periods, and the prompt release of approved funds once closing conditions are met. Earlier, in October 2025, DCUC urged Treasury to reinstate dedicated CDFI Fund staff after reported staffing actions threatened the Fund's operating capacity. Read together, those letters support a straightforward message to Treasury: preserve the Fund, execute it predictably, and do not let regulatory or staffing friction choke off congressionally supported community finance.

Accordingly, DCUC respectfully recommends that the Committee use this hearing and any subsequent FY 2027 legislative or appropriations work to pursue four actions: preserve at least \$324 million for the CDFI Fund and the full existing statutory program suite; require Treasury to provide program-by-program execution timelines and quarterly reporting on application volume, award-cycle times, obligations, disbursements, and payment timing; direct Treasury to streamline duplicative application requirements and expand technical assistance so smaller CDFI credit unions are not disadvantaged; and require Treasury to report how CDFI resources are reaching military communities, including servicemembers, veterans, and communities surrounding military installations.

Thank you for your leadership and for your oversight of Treasury programs that bear directly on financial inclusion and military financial readiness. DCUC stands ready to work with the Committee to ensure FY 2027 funding decisions strengthen, rather than narrow, the CDFI ecosystem on which so many underserved and military-connected communities depend.

Sincerely,



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