



DCUC
DEFENSE CREDIT UNION COUNCIL

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September 17, 2024

The Honorable Jeanne Shaheen
United States Senate
Small Business and Entrepreneurship Committee
428A Russell Senate Office Building
Washington, DC 20510

The Honorable Joni Ernst
United States Senate
Small Business and Entrepreneurship Committee
428A Dirksen Senate Office Building
Washington, DC 20510

Dear Chairwoman Shaheen and Ranking Member Ernst:

On behalf of America's Defense and Veteran Credit Unions and our almost 40 million members, I am writing to provide our views and comments for the September 18, 2024, Senate Small Business and Entrepreneurship Committee hearing titled, [Streamlining and Coordinating Support for Rural Small Businesses](#). The most efficient and effective way to support the creation of small businesses in rural America is to lift the arbitrary cap on loans that credit unions can provide to member businesses to veterans and members of the armed services.

For credit unions, especially Defense Credit Unions, helping our nation's service members and veterans create opportunities for themselves and their families is a top priority. However, the arbitrary cap on business loans to members—currently set by Congress—restricts the assistance we can offer to veteran entrepreneurs.

That is why we have championed the passage of legislation spearheaded in a bi-partisan effort by Senator Mazie Hirono D-(HI) and Senator Dan Sullivan (R-AK) that would amend the Federal Credit Union Act to exclude extensions of credit made to veterans and military members from the definition of a member business loan.

A November 2018 report titled "[Financing Their Future: Veteran Entrepreneurs and Capital Access](#)," put out by the SBA and Federal Reserve Bank of New York, found that veteran business owners applied for more funding, submitted more loan applications per business, and yet were denied loans at a much higher rate than non-veteran business owners.

There is a real need for small-dollar business loans in the veteran space. Credit unions are interested and willing to serve their veteran members' needs yet are currently hampered by the current rules in place that cap their business loans to a small percentage of their total assets. Exempting veteran business loans from this cap would give veterans a better chance at securing the funding they need to grow and improve their businesses.

The current cap was imposed by Congress through the Credit Union Membership Access Act of 1998.

Thank you for the opportunity to bring these matters to your attention. Should you 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.

Sincerely,

Jason Stverak
Chief Advocacy Officer
DCUC