



**DCUC**  
DEFENSE CREDIT UNION COUNCIL

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**Jason Stverak**  
Chief Advocacy Officer

**July 21, 2025**

**The Honorable Roger Williams**

Chairman, House Committee on Small Business  
2361 Rayburn House Office Building  
Washington, DC 20515

**The Honorable Nydia M. Velázquez**

Ranking Member, House Committee on Small Business  
2361 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Williams and Ranking Member Velázquez:

On behalf of the Defense Credit Union Council (DCUC), I am writing to express our views on the five pieces of legislation scheduled for markup in the House Small Business Committee on July 22, 2025. DCUC represents credit unions serving military members, veterans, and their families worldwide – a community encompassing over 40 million members and more than \$525 billion in assets. Our mission is to ensure that policies governing small business programs support the financial readiness and entrepreneurial success of America's servicemembers and veterans. We appreciate the Committee's attention to improving Small Business Administration (SBA) programs, and we offer below our position on each bill, along with suggested improvements, especially as they relate to credit unions and the military communities we serve.

**H.R. 2066 – Investing in All of America Act of 2025:** DCUC strongly supports this legislation. H.R. 2066 would expand the Small Business Investment Company (SBIC) program's ability to channel capital into critical areas by increasing SBIC licensee commitment levels and providing additional leverage for investments in American manufacturing, rural enterprises, and critical national defense technologies. We applaud the focus on these sectors – particularly on defense-related technologies – as it aligns with our interest in strengthening national security and supporting innovators within the defense community. Many veterans and military spouses are entrepreneurs in high-tech and manufacturing fields, including companies that support our nation's defense. By allowing private investment dollars in these priority areas not to count against the SBIC leverage cap, H.R. 2066 will spur greater investment in startups and small businesses that create jobs in our communities and advance U.S. competitiveness.

*Suggested Improvement:* We respectfully ask the Committee to consider an amendment or report language encouraging SBIC investments in veteran-owned and military spouse-owned small businesses within these targeted sectors. Prioritizing investments in firms led by veterans would build on the bill's emphasis on national defense technologies and rural manufacturing by empowering those who have served. Additionally, as SBIC funding increases, we urge robust oversight to ensure that the additional leverage is deployed effectively and reaches the intended categories of businesses. DCUC and our member credit unions are ready to partner in identifying promising veteran entrepreneurs who could benefit from SBIC-backed investment. Strengthening these channels will ultimately help military communities, where many innovative small businesses can drive economic growth and support the defense industrial base.

*Serving Those Who Serve Our Country*

**H.R. \_\_\_\_ – Office of Rural Affairs Enhancement Act:** DCUC supports this bipartisan effort to codify and enhance the SBA’s Office of Rural Affairs. Credit unions have a long history of serving rural military communities – from remote bases and National Guard hometowns to the farming communities where many veterans settle after service. This bill formally establishes the Office of Rural Affairs and sets qualifications for its Assistant Administrator, ensuring dedicated leadership focused on rural entrepreneurs. We believe this will bring much-needed attention to the unique challenges facing small businesses in rural areas, including those run by servicemembers transitioning to civilian life and military spouses. We are especially encouraged that the Office will be required to promote policies favorable to rural entrepreneurs, conduct outreach events, and coordinate with resource partners, as well as report regularly on activities and service gaps for rural small businesses. Identifying gaps is crucial – for example, rural veteran-owned businesses often lack the same access to capital and technical assistance as their urban counterparts.

*Suggested Improvement:* To maximize the bill’s impact, we urge that the enhanced Office of Rural Affairs explicitly incorporate the needs of rural veterans and military families into its mission. This could be achieved by directing the Office to collaborate closely with the SBA’s Office of Veterans Business Development and with the Department of Defense’s Transition Assistance Program to ensure rural servicemembers and spouses are aware of and can access SBA resources. Additionally, Congress should consider ways to enable more lending in rural areas by community-focused lenders. One barrier today is the outdated 12.25% cap on member business loans for credit unions, which limits how much rural small business credit unions can provide. We have advocated for reevaluating this cap to better serve rural economies, and we encourage the Committee to explore complementary measures so that well-capitalized credit unions can do more to support rural entrepreneurs. With an empowered Office of Rural Affairs and fewer lending restrictions, credit unions on the ground in rural and base-adjacent communities can more effectively partner with SBA programs to bridge the gap for underserved small businesses.

**H.R. 4495 – SBA Fraud Enforcement Extension Act:** DCUC supports H.R. 4495 as a prudent step to protect the integrity of critical SBA relief programs. This bill extends the statute of limitations for fraud from five to ten years for cases involving the Shuttered Venue Operators Grant (SVOG) and Restaurant Revitalization Fund (RRF) programs. We witnessed during the pandemic that programs like SVOG and RRF were lifelines for many small businesses – including veteran-owned restaurants, entertainment venues, and other establishments in military communities – yet they also became targets for fraud. Extending the window for the government to investigate and prosecute fraud ensures that those who exploited these emergency programs can be held accountable even if their schemes come to light years later. DCUC’s member credit unions, which provided assistance to struggling businesses during COVID-19, saw firsthand how fraud drained resources away from deserving applicants. By cracking down on bad actors, this bill will help rebuild trust that emergency small business funds will reach the right people.

*Suggested Improvement:* We suggest that Congress accompany this extension with adequate resources and inter-agency coordination to actively pursue complex fraud cases. Deterring fraud is not only about longer timeframes but also about stronger enforcement tools. DCUC has endorsed legislation like the proposed TRAPS Act (Treasury’s Resumed Anti-Fraud Payments Stop Act) to improve the ability of financial institutions to freeze and prevent fraudulent transactions. Similarly, we would support measures within SBA to enhance fraud detection and prevention, so that fraud is caught as early as possible. While H.R. 4495 rightly focuses on SVOG and RRF, we also encourage vigilance across all SBA programs – including the 7(a) loan program and future disaster relief efforts – to ensure fraudsters do not siphon off funds meant for genuine small business owners. The men and women who served our country and now run small businesses deserve to know that relief programs will be safeguarded for those who truly need them. We appreciate the Committee’s work to uphold accountability, which ultimately benefits honest entrepreneurs in the military and veteran community.

**H.R. 4491 – SBA IT Modernization Reporting Act:** DCUC supports H.R. 4491 and its goal of bringing the SBA’s technology systems into the 21st century. The bill requires the SBA Administrator to implement key recommendations from a recent Government Accountability Office report (November 2024) that identified serious deficiencies in SBA’s IT systems. Modern, secure, and reliable IT infrastructure is essential for SBA programs to work effectively – a fact underscored by the technical challenges seen during the rollout of pandemic relief loans. Many defense-focused credit unions participate in SBA lending (such as 7(a) loans and 504 loans) to help veteran and military spouse entrepreneurs. These credit unions interface with SBA’s systems (for example, the E-Tran portal for loan guarantees), and we have seen how outdated technology or system outages can delay funding for small businesses. By modernizing IT and addressing risks in new systems, SBA will be better equipped to serve borrowers and lending partners promptly, even during surges in demand.

*Suggested Improvement:* We recommend that, as SBA carries out the GAO’s recommendations under H.R. 4491, it actively engage with community lenders – including credit unions – to gather input on needed improvements. Front-line lenders can offer insight into user experience issues, integration hurdles, and data security concerns. For instance, smaller lenders like credit unions may need more user-friendly interfaces and quicker certifications to participate fully in SBA programs. Emphasizing cybersecurity is also paramount, given that servicemembers and veterans are frequent targets of identity theft and scams. A modernized SBA IT system should incorporate robust protections for sensitive borrower information and ensure continuity of operations, so that military family entrepreneurs can access capital even if they are deployed or stationed abroad. We would welcome language in the bill or report highlighting the importance of lender feedback and cybersecurity measures as part of the IT modernization process. DCUC stands ready to assist by facilitating communication between our member credit unions and SBA technology officials to make these upgrades as effective as possible.

**H.R. 3174 – Made in America Manufacturing Finance Act of 2025:** DCUC strongly supports H.R. 3174, which would raise the maximum loan amounts under the SBA’s flagship loan programs for small manufacturers. Specifically, this bill increases the lending limit from \$5 million to \$10 million for loans made through the 7(a) loan program and the 504/CDC program. We agree that the current \$5 million cap is often insufficient for growing manufacturing firms that need to purchase expensive equipment, expand facilities, or ramp up production – all of which are capital-intensive steps. In the defense credit union community, we see many veteran-owned small manufacturers and contractors who contribute to domestic supply chains (including those supplying the Department of Defense) and who would benefit greatly from larger SBA-backed loans. By enabling loans up to \$10 million, H.R. 3174 will empower these entrepreneurs to scale their operations, create quality jobs (often for fellow veterans), and keep manufacturing activity here in America.

*Suggested Improvement:* To ensure community-based lenders can fully participate in this expanded financing, we encourage SBA to evaluate its guarantee percentages and fees for larger loans. Smaller lenders, such as credit unions and community banks, should feel confident in making \$8–10 million loans to local manufacturers. If necessary, adjustments – for example, a higher SBA guarantee or streamlined co-lending arrangements – could be considered so that the risk is manageable and the process efficient. We also note that credit unions’ ability to make business loans is currently constrained by an arbitrary member business lending cap set by law. As it stands, even a well-capitalized defense credit union might be limited in offering a single \$10 million loan due to this cap. We therefore urge parallel legislative efforts to remove or lift the credit union business lending cap at least for veteran-owned and rural small business loans. Congress is already considering measures like the Veterans Member Business Loan Act, which would exempt loans to veteran entrepreneurs from the credit union lending cap. Enacting such reforms would complement H.R. 3174 by ensuring that credit unions can fully use the higher SBA loan limits to support military and veteran manufacturers without regulatory hindrance. In short, raising the SBA loan cap is a powerful step, and coupling it with expanded lending capacity in credit unions would maximize the flow of capital to the Made-in-America businesses we all want to succeed.

In closing, we thank you for your leadership in advancing these bills to strengthen SBA programs. Taken together, these measures will help ensure that SBA's toolkit – from investment capital and rural outreach to program integrity, technology, and loan size – works more effectively for all American small businesses, including those in the military and veteran community. In fact, credit unions currently originate only about 2.7% of SBA 7(a) loans – a disproportionately low share given our capacity – due largely to structural barriers that limit our participation. By enacting these bills alongside complementary reforms, Congress can unlock more of this lending potential for veteran and military family entrepreneurs who might otherwise be overlooked. As the Committee moves forward, DCUC and our member credit unions stand ready to assist in implementation and outreach. Our institutions are often the bridge between federal programs and the military families they are meant to serve. We are eager to work with you, the SBA, and other stakeholders to make sure these reforms translate into real improvements on the ground – whether it's a young veteran entrepreneur securing an SBIC investment for a startup, a military spouse in a rural town getting guidance from an SBA rural affairs officer, or a National Guard veteran expanding a manufacturing business with a 7(a) loan.

Thank you for considering our views on H.R. 2066, the Office of Rural Affairs Enhancement Act, H.R. 4495, H.R. 4491, and H.R. 3174. We appreciate the bipartisan effort to bolster America's small businesses and look forward to continuing our partnership to support those who have served our nation. If you have any questions or need further information, please do not hesitate to contact me.

If you have any questions, please do not hesitate to email me at [jstverak@dcuc.org](mailto:jstverak@dcuc.org) or contact me via the phone at 202.557.8528.

Sincerely,



Jason Stverak  
Chief Advocacy Officer  
DCUC

CC: Members of the United States House Small Business Committee

