



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
Chief Advocacy Officer

February 9, 2026

The Honorable **Roger Williams**
Chairman
House Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

The Honorable **Nydia M. Velázquez**
Ranking Member
House Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Re: DCUC Perspectives on H.R. 7401, H.R. 7396, and H.R. 7412 – Full Committee Markup

Chairman Williams and Ranking Member Velázquez:

On behalf of the Defense Credit Union Council (DCUC), thank you for the opportunity to submit comments for the record in advance of the Committee's markup of H.R. 7401, H.R. 7396, and H.R. 7412. DCUC appreciates the Committee's sustained focus on strengthening small business lending programs while addressing the integrity challenges that have emerged in recent years.

DCUC is the national trade association representing credit unions that serve America's military, veterans, and their families. Our membership includes more than 200 credit unions representing over 40 million members and more than \$525 billion in assets. Many of these institutions are deeply embedded in defense communities—on and near military installations, in rural and underserved areas, and in regions where access to traditional bank credit remains limited. For these credit unions, SBA lending programs are not abstract policy constructs; they are essential tools that allow local, member-owned institutions to support veteran entrepreneurs, military spouses, and small businesses that form the backbone of these communities.

From DCUC's perspective, the measures before the Committee share a common theme: restoring trust, transparency, and accountability in SBA programs while ensuring those programs remain accessible and workable for responsible lenders and legitimate borrowers. We offer the following views on each bill.

H.R. 7401 – Small Business Lending Fraud Prevention Act

DCUC supports H.R. 7401 as a prudent and narrowly tailored response to well-documented concerns about internal controls within SBA loan administration during periods of elevated lending volume.

Credit unions that participate in SBA programs operate under strict safety-and-soundness and compliance obligations. They depend on a lending ecosystem in which SBA decision-making is impartial, transparent, and free from conflicts of interest. By requiring SBA employees who are personally and substantially involved in loan origination, review, or approval to certify compliance with existing federal conflict-of-interest standards, H.R. 7401 reinforces expectations that already exist in law but have not always been consistently operationalized.

Serving Those Who Serve Our Country

Importantly, DCUC views this measure not as punitive, but as confidence-building. Strengthening internal accountability at SBA helps protect taxpayers, lenders, and borrowers alike. We respectfully encourage the Committee to ensure that SBA implements these certifications in a manner that is integrated with existing ethics training and electronic workflows, so that enhanced safeguards do not inadvertently slow the processing of legitimate loans for small businesses that depend on timely access to capital.

H.R. 7396 – Native American Entrepreneurial Opportunity Act

DCUC supports H.R. 7396 and applauds the Committee for recognizing the importance of statutory clarity and continuity in SBA's engagement with Native communities.

Many DCUC member credit unions serve Native American and Alaska Native populations, including veterans and military families, in areas that are frequently underserved by traditional financial institutions. For these communities, access to capital often depends on consistent outreach, technical assistance, and coordination among SBA offices, lenders, and tribal governments.

Codifying the Office of Native American Affairs within SBA provides long-term stability, reinforces accountability to Congress, and helps ensure that entrepreneurial development efforts are not dependent on shifting administrative priorities. The bill's reporting requirements further enhance transparency by allowing Congress to evaluate whether SBA programs are reaching intended beneficiaries and producing measurable outcomes.

DCUC does note that the bill's termination provision raises questions about continuity. We respectfully suggest that the Committee consider whether the sunset could serve as a structured evaluation or reauthorization point, rather than an automatic expiration, to preserve institutional knowledge and prevent disruption to successful programs that support Native-owned small businesses.

H.R. 7412 – Put America on Commission Act of 2026

DCUC supports the objective of H.R. 7412 and recognizes the Committee's intent to confront the unprecedented fraud that plagued pandemic-era SBA relief programs.

The scale of abuse in programs such as PPP and COVID-related EIDL loans undermined public confidence and diverted resources from the small businesses these programs were designed to help. Establishing an Office of Whistleblower Awards within SBA and creating a structured incentive framework for credible, actionable information reflects Congress's seriousness about recovering taxpayer dollars and deterring future misconduct.

At the same time, DCUC believes careful implementation will be critical to the program's success. Credit unions and other regulated lenders already operate within a robust compliance framework, including strict confidentiality obligations related to Suspicious Activity Reports and other fraud-reporting requirements. It is essential that a new whistleblower incentive structure be clearly coordinated with existing SBA Office of Inspector General reporting channels and federal confidentiality laws.

DCUC therefore encourages the Committee to ensure that:

1. Whistleblowers are not inadvertently discouraged or disqualified based solely on the reporting channel they use; and
2. Implementation guidance explicitly protects regulated financial institutions and their employees from being placed in conflict with existing federal reporting and confidentiality requirements.

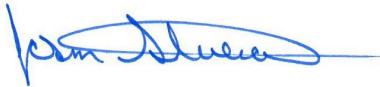
Addressing these issues up front will strengthen the bill's effectiveness while avoiding unintended consequences for compliant lenders that participate in SBA programs in good faith.

DCUC appreciates the Committee's bipartisan work to improve SBA programs at a time when small businesses—particularly those owned by veterans, military spouses, and individuals in underserved communities—continue to face economic uncertainty and constrained access to capital.

Credit unions serving defense communities stand ready to be constructive partners in this effort. We look forward to continued engagement with the Committee as these measures advance and would welcome the opportunity to serve as a resource to Members and staff.

Thank you for your leadership and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Stverak", with a long horizontal flourish extending to the right.

Jason Stverak
Chief Advocacy Officer
DCUC