



America's  
Credit Unions



**Crossstate**  
Credit Union Association

# A mission to serve our veterans

## Credit unions stand ready to serve our veterans in helping their community

**THE VETERANS MEMBER BUSINESS LOAN ACT** ([S. 539](#) and [H.R. 4867](#)) would provide veterans with more business loan options and greater access to capital through their trusted credit union. Credit unions have long advocated for changes to better serve veterans in need of small business lending.

### THE CHALLENGE:

Under current law, credit unions are restricted in the business lending they can provide to members. The arbitrary government-imposed cap on business loans is 12.25% of a credit union's total assets. The cap applies to all business loans above \$50,000.

### THE NEED:

When service members return to civilian life, they often look for ways to continue service to their community. For nearly 25% of veterans that means starting a small business. However, veterans have a harder time accessing credit, based on a [New York Federal Reserve study](#).

Veteran-owned businesses apply at more places for loans than non-veteran counterparts, predominantly at online lenders and large and small banks, yet face increased lending challenges.

60% of veteran-owned businesses report facing a financing shortfall (receiving less financing than requested) compared to 52% of non-veteran-owned businesses. Small Business Administration loan data shows that veteran-owned business financing growth isn't keeping up with non-veteran-owned business financing, at 48% in comparison to 82%.

**75%** of veterans cited challenges in starting and growing a business

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## Credit unions' community connections can benefit veterans

After leaving military service, 50% of veterans relocate to a new city instead of their hometown. Putting down roots after living place-to-place while in service means veterans need community connections.

As not-for-profit financial cooperatives with a people-first focus, credit unions can help veteran business owners build those connections and look beyond credit scores and collateral to assess loan opportunities. Credit unions are also willing to make smaller loans, making a big difference to small business owners like Will Rivera, a 25-year military veteran and small business owner.

“Community is so important for what we do in our business. [The credit union] saw our vision and believed in our concept...it’s been a great partnership.”

[Learn more about Will and his credit union.](#)



Military household credit union members are nearly two times more likely than non-members to say that they are “very positive” they can get a low-cost loan at their credit union, compared to what non-member military households say about banks and other financial providers.

By removing veteran-owned businesses from the credit union member business loan (MBL) cap, **THE VETERANS MEMBER BUSINESS LOAN ACT INCREASES VETERANS' LOAN OPTIONS**. The restrictive business loan cap limits members' access to these types of loans from their trusted credit union. [S. 539](#) and [H.R. 4867](#) would give veterans more choices in service as they seek to start or grow their small business.

## OUR ASK:

We ask Members of Congress to cosponsor and support S. 539 and H.R. 4867