

Congressman Vicente Gonzalez Testimony  
Financial Services Member Day Hearing –  
H.R. 4867, the Veteran Member Business Loan Act  
Thursday, November 9, 2023, at 9 a.m.

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Chairman McHenry, Ranking Member Waters, thank you for hosting today’s “Member Day” hearing.

As a member on this Committee, I am proud of the work we are doing to expand access to capital, protect American consumers, and strengthen our economy.

For background, my district encompasses much of South Texas from McAllen, Texas to Brownsville, Texas where the Border meets the Sea and up to Kingsville, Texas – home of the King Ranch and Naval Air Station Kingsville.

My constituency is a predominantly underserved, low-to-middle income community.

We also have over 21,000 veterans located in my district with military installations in my district and further north in Corpus Christi and San Antonio. Our region is large, it’s Texas, everything is bigger there.

We are growing rapidly, and our local economy is booming - for reference our population is projected to double by 2045.

But to accommodate a growing population, we must foster an environment that creates stability, wealth, and growth.

Starting a small business is expensive and risky.

Fifty percent of small business fail within the first five years.

But it is also the lifeblood of burgeoning communities like mine.

While some entrepreneurs use personal savings to open a business, that is not an option for everyone, including veterans.

According to the Institute of Veteran Military Families, 75 percent of reporting veterans have trouble accessing capital to start or grow a business.

A business loan provides the upfront capital needed to open doors, pay staff, and provide a buffer until the business starts churning a profit.

Credit Unions are one of the institutions that provide loans to small businesses, supporting them from the beginning of their venture to its end.

Currently, Credit Unions are constrained to only lending 12.25 percent of their assets to small businesses, severely limiting who can access these vital financial services.

For a community on the rise, the arbitrary cap on member business loans stunts economic growth.

Which is why I introduced H.R. 4867, the Veteran Member Business Loan Act, with Congressman Brian Fitzpatrick. This bipartisan bill would exempt loans made to veteran-owned businesses from the member business lending cap imposed on credit unions.

Our service members provide tremendous value to our society both while in service and as civilians.

I think both parties can agree that we need to support our veterans as they transition back to civilian life.

For many – at least 25 percent – that means starting a small business.

We made a promise to support our service members after they put their lives on the line to protect the freedoms we cherish.

Our veterans deserve every chance to contribute to their community, and that means accessing capital to start a business.

I urge the Committee to mark-up this important legislation and support our veterans as they build a life after service.

Thank you and I yield back.