AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

MARKUP OF VARIOUS MEASURES

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINETEENTH CONGRESS

SECOND SESSION

HEARING HELD
FEBRUARY 11, 2026



Small Business Committee Document Number 119–030
Available via the GPO Website: www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
62–952 WASHINGTON : 2026

HOUSE COMMITTEE ON SMALL BUSINESS

ROGER WILLIAMS, Texas, *Chairman*
PETE STAUBER, Minnesota
DAN MEUSER, Pennsylvania
BETH VAN DUYNE, Texas
JAKE ELLZEY, Texas
MARK ALFORD, Missouri
NICK LALOTA, New York
BRAD FINSTAD, Minnesota
TONY WIED, Wisconsin
ROB BRESNAHAN, Pennsylvania
BRIAN JACK, Georgia
TROY DOWNING, Montana
KIMBERLYN KING-HINDS, Northern Marina Islands
DEREK SCHMIDT, Kansas
JIMMY PATRONIS, Florida
NYDIA VELÁZQUEZ, New York, *Ranking Member*
MORGAN MCGARVEY, Kentucky
HILLARY SCHOLTEN, Michigan
LAMONICA MCIVER, New Jersey
GIL CISNEROS, California
KELLY MORRISON, Minnesota
GEORGE LATIMER, New York
DEREK TRAN, California
LATEEFAH SIMON, California
JOHNNY OLSZEWSKI, Maryland
MAGGIE GOODLANDER, New Hampshire

LAUREN HOLMES, *Majority Staff Director*
MELISSA JUNG, *Minority Staff Director*

CONTENTS

OPENING STATEMENTS

	Page
Hon. Roger Williams	1
Hon. Nydia Velázquez	2

APPENDIX

Additional Material for the Record:
Text of Legislation:
- H.R. 7401 - Small Business Lending Fraud Prevention Act 13
- H.R. 7396 - Native American Entrepreneurial Opportunity Act 16
- H.R. 7412 - Put America on Commission Act of 2026 21

Support Documents:
- Defense Credit Union Council (DCUC) 39
- E-Vote Results 42

Votes:
- H.R. 7401 - Small Business Lending Fraud Prevention Act Ordered to be reported by the Yeas and Nays: 24-0 45
- H.R. 7396 - Native American Entrepreneurial Opportunity Act Ordered to be reported by the Yeas and Nays: 24-0 46
- H.R. 7412 - Put America on Commission Act of 2026 Ordered to be reported by the Yeas and Nays: 24-0 47

MARKUP OF VARIOUS MEASURES

WEDNESDAY, FEBRUARY 11, 2026

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 9:04 a.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Stauber, Meuser, Van Duyne, Ellzey, Alford, LaLota, Finstad, Wied, Bresnahan, Downing, King-Hinds, Patronis, Velázquez, McGarvey, Scholten, McIver, Cisneros, Morrison, Latimer, Tran, Simon, Olszewski, and Goodlander.

Chairman WILLIAMS. Before we get started with the markup, I would like to recognize Congressman Ellzey from the Gray State of Texas to lead us in the Pledge of Allegiance and a short prayer.

All right. The committee will now come to order.

A quorum is present. And without objection, the Chair is authorized to declare a recess of the committee at any time. As required by the House rules, a copy of the legislative measures have been made available to Members and the public at least 24 hours in advance.

Without objection, the committee will vote electronically in accordance with committee rules and regulations developed by the House Committees on Rules and Administration. I now recognize myself for opening remarks.

Today, we will mark up three important bipartisan bills that support efforts to combat waste, fraud, and abuse. These bills reflect our continued commitment to ensure transparency and accountability within the SBA and support efforts to root out fraud in the SBA's COVID-era lending programs. The bills will establish an office to help recover taxpayer dollars, prevent conflicts of interest in loan processing, and codify the Office of Native American Affairs. These bills will support the SBA's ability to serve America's small businesses and taxpayers alike.

As Chairman, I am proud of the work underway in this committee, particularly our efforts to address systematic failures and support existing SBA programs. The committee has demonstrated our commitment to proactive, responsible oversight and accountability, and for that, I say thank you.

First, we will consider a bill that targets and prevents potential ethics violations in loan processing. The bill will enhance accountability and oversight of the SBA loan process by requiring conflict of interest certification. Next, we will consider a bill to codify the SBA's Office of Native American Affairs, an office which has been

appropriated funds but not yet to be codified. Finally, we will consider my bill to establish the Office of Whistleblower Rewards. The office will support the SBA OIG in its efforts to combat fraud. The bill will increase efficiency to fraud recovery by incentivizing public participation.

With this additional resource, SBA is strategically positioned to stop bad actors and recover funds. Correcting and mitigating systematic failures is inherently complex and requires a strong bipartisan effort, and I am proud of the collaborative effort that has resulted in today's markup. These three bills lay the foundation for a better tomorrow.

I look forward to continuing to work with my colleagues to make strides in addressing waste, fraud, and abuse by improving internal mechanisms and processes. The SBA is better positioned to serve American small businesses.

With that, I yield to my friend and the distinguished Ranking Member from New York, Ms. Velázquez, for her opening remarks.

Ms. VELAZQUEZ. Thank you, Mr. Chairman, for convening this markup today. I plan to lend my support to the three bipartisan bills under consideration.

Let me begin by expressing my strong support for H.R. 7396, legislation to codify the Office of Native American Affairs. It is important for our committee to remain focused on its mission, reviewing, evaluating, and improving SBA's programs so they work for our nation's 36 million small businesses. I look forward to future markups that will deliver meaningful improvements to SBA core programs.

The other two bills under consideration will give SBA additional tools to combat fraud. One will put important processes in place to help prevent fraud, and the other will provide a mechanism for SBA to recover fraudulent pandemic monies. I am pleased to lend my support to these two bills.

With that said, and I have mentioned this before, SBA needs to be more responsive to the committee. The administration—the administrator has egregiously ignored Congressional oversight letters and requests for meetings, obstructing our ability to conduct meaningful oversight. I hope you will support efforts to hold the agency accountable.

Thank you, Mr. Williams, and I look forward to a productive markup. I yield back.

Chairman WILLIAMS. The gentlelady yields back. Does any other Member seek recognition for the purpose of making an opening statement?

Seeing none, we will now move to consideration of the first bill.

The committee now moves to consideration of H.R. 7401, the Small Business Lending Fraud Prevention Act, introduced by Reverend Meuser and Goodlander.

The Clerk will report the bill.

H.R. 7401

The CLERK. H.R. 7401, a bill to require employees of the small business——

Chairman WILLIAMS. Without objection, H.R. 7401 is considered as read and open for amendment.

I now recognize the bill's sponsor, Representative Meuser from the great state of Pennsylvania, for his remarks.

Mr. MEUSER. Thank you, Mr. Chairman. Our bipartisan legislation, H.R. 7401, the Small Business Lending Fraud Prevention Act, will strengthen the SBA's conflict of interest rule, adding an important safeguard within the loan process. The bill requires SBA employees involved in the origination, review, or approval of its loans to certify that they have no conflicts of interest in the transaction. It also requires employees to promptly disclose and recuse themselves if a conflict arises and to acknowledge their obligations under federal ethics laws.

Though the 7(a) program operates at zero subsidy cost to the taxpayer, there have been instances of SBA employees processing loans to family members or others barred under federal conflict of interest rules, and have increased in recent years. Just last August, Rena Barrett, a former SBA loan officer, pled guilty to submitting and approving fraudulent COVID-19 EIDL applications, abusing her position to seek more than $550,000 in pandemic relief funds for herself and family. In addition, Attallah Williams, another former SBA loan officer, was charged in January for approving fraudulently submitted EIDL applications in exchange for a share of the proceeds. Congress must root out waste, abuse, and fraud, especially when it is perpetrated by government employees.

I would like to thank Congresswoman Goodlander for co-leading this legislation. I would also like to thank Chairman Williams for bringing this bill forward for consideration today, and I certainly encourage my colleagues to support this legislation.

Thank you, Mr. Chairman. I yield back.

Chairman WILLIAMS. The gentleman yields back, and I now recognize the bill's co-sponsor, Representative Goodlander from the great state of New Hampshire, for her remarks.

Ms. GOODLANDER. Thank you, Mr. Chairman. Small businesses aren't just part of our economy. They are the lifeblood of the economy of my state and our nation, and the loans administered by the Small Business Administration are the lifeblood for so many small businesses in every corner of our country.

Conflicts of interest, especially conflicts of interest in people serving in positions of public trust, they are a cancer that undermines public trust, that leads to abuses of taxpayer dollars. And ultimately, it is our small businesses and entrepreneurs, good people, hardworking people who are playing by the rules, who pay the price for these conflicts of interest. So that is why I am really proud to be working alongside Congressman Meuser with this common sense, straightforward, bipartisan bill that is going to allow us to crack down on conflicts of interest on the front end so that red flags are raised before problems arise and so that we don't see any more unnecessary red tape or costs for our small businesses in the administration of Small Business Administration loans.

This is really about strengthening the prevention, detection, and enforcement of the most basic principles of good governance and our democracy. They have always defined us as Americans, and that is why I am proud that we are coming together as Americans to pass this straightforward, practical, bipartisan bill.

So with that, Mr. Chairman, I yield back.

Chairman WILLIAMS. The gentlelady yields back.

Are there any other Members who wish to be recognized for a statement on this bill?

I now recognize the Ranking Member to speak on the bill.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. I want to express my support for H.R. 7401, the Small Business Lending Fraud Prevention Act. I applaud Mr. Meuser and Ms. Goodlander for their leadership on this issue.

Let me begin by saying this committee has played an integral role in conducting oversight of the pandemic relief programs. Approximately $1.2 trillion dollars of economic aid was disbursed through the SBA pandemic relief programs over the course of the pandemic, providing economic relief to small businesses all over the country. Unfortunately, bad actors took advantage of the programs, and it has become clear we need to work together to recover fraudulent dollars.

The previous administration took strong steps to root out fraud and put internal controls in place to prevent it, and the OIG, which has a team of auditors, investigators, attorneys, and state-of-the-art data analytics technology, has been working diligently to uncover fraudulent schemes. And because of their work, an SBA loan officer recently pled guilty to making a false statement in connection to applications for more than $550,000 in fraudulent COVID-19 pandemic loans to herself and family members.

While I firmly believe the single most important action we can take to combat fraud is to fully fund the IG's budget request, I support this legislation.

The bottom line is this. The camp (phonetic) process worked. The bad actor at SBA was identified, investigated, and prosecuted. But moving forward, requiring SBA employees to certify there is no conflict of interest before approving a loan will add an extra layer of security and help deter fraud.

I urge my colleagues to support the bill. I yield back.

Chairman WILLIAMS. Gentlelady yields back.

I now recognize myself for remarks.

Last year, the SBA uncovered a disturbing case of fraud. In 2021, a former SBA loan officer used her authority to secure a $170,000 Economic Injury Disaster Loan for one of her family members, and the loan officer submitted a false statement to the SBA as part of a loan application. When it was initially denied, she approved it herself. Before she was caught, the loan officer tried to approve over $500,000 in loans to herself and her relatives while still working at the SBA. Fortunately, in this case, the fraudster was caught. However, it was critical to take serious steps to avoid such cases in the future, and it should not be possible for fraud like this to occur again.

H.R. 7401, the Small Business Lending Fraud Prevention Act, moves us in the right direction. This bill requires SBA employees involved in the loan process to certify there are no ties to the loan applicant or recipient for any of the loans they are responsible for processing. The bill requires any employee who has a conflict of interest to inform their supervisor and recuse themselves from the loan review and approval process. There are necessary steps to future fraud at the SBA, and it will provide a clear standard against which future fraudsters can be held accountable.

I urge my colleagues to vote yes on H.R. 7401, and I yield back.

Does anyone wish to offer an amendment?

Seeing none, the question now occurs in order in H.R. 7401, reported favorably to the House. All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it. H.R. 7401 is agreed to.

Mr. MEUSER. Mr. Chairman, I would like to request a recorded vote.

Chairman WILLIAMS. A recorded vote has been requested, and a roll call vote is ordered. Pursuant to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

The Committee now moves to consideration of H.R. 7396, the Native American Entrepreneurial Opportunity Act, introduced by Representative Davids, Ellzey, Morrison, and Crane.

The Clerk will report the bill.

H.R. 7396

The CLERK. H.R. 7396, a bill to establish the Office of Native American——

Chairman WILLIAMS. Without objection, H.R. 7396 is considered as read and open for amendment.

I now recognize Representative Morrison from the great state of Minnesota for a statement on the bill.

Ms. MORRISON. Thank you, Mr. Chairman, and thanks to my colleagues, Representatives Davids, Ellzey, and Crane, for joining me in introducing this important bipartisan legislation.

Native-owned businesses employ over 300,000 people across the country and contribute over $33 billion to the U.S. economy every year. In tribal communities, they are often the backbone of the local economy. That is why it is critical that there is continuity in the Small Business Administration's engagement with Native American entrepreneurs.

Codifying the Office of Native American Affairs and establishing an assistant administrator role to oversee its operations will create better government-to-government working relationships with tribes and Native Hawaiian organizations and better address the entrepreneurial, capital, and contracting needs of tribes and Native businesses.

There are nearly 4,000 Native-owned businesses in Minnesota, ranging from independent bookstores to construction companies to local restaurants. I look forward to seeing the Small Business Administration continue to work with Native entrepreneurs in Minnesota and across the country to ensure these businesses have the resources they need to grow and succeed.

Thank you, Mr. Chair. I yield back.

Chairman WILLIAMS. The gentlelady yields back. Are there any other Members who wish to be recognized for a statement on this bill?

Okay, seeing none, I would like to recognize the Ranking Member to speak on the bill.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. I strongly support the Native American Entrepreneurial Opportunity Act.

Let me begin by commending Ms. Davids, Dr. Morrison, Mr. Ellzey, and Mr. Crane for their and bipartisanship commitment to codifying the Office of Native American Affairs at SBA.

Small businesses on tribal reservations oftentimes face a mix of challenges, ranging from lack of access to capital to inadequate business training. SBA's office has proved to be a valuable resource to Native American Indians, Alaskan Natives, and Native Hawaiians, supporting approximately 2,000 small businesses every day. Codifying the office will ensure that tribal small businesses have access to SBA's full range of business development tools, regardless of the administration.

Importantly, the legislation requires that the assistant administrator report directly to the administrator, making sure that the voices of the tribal communities will be heard at SBA. Native American-owned businesses are economic engines, generating $86 billion in sales, shipments, and revenues every year, and employing nearly 364,000 people in their communities. This bill will go a long way to increase access to federal programs and services and promote economic development.

I would also like to thank Chairman Williams for adding this bill to the markup today.

With that, I yield back.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize myself to speak in support of this legislation.

H.R. 7396, the Native American Entrepreneurial Opportunity Act, established the Office of Native American Affairs within the Small Business Administration. Economic development programs aim to help small businesses start, grow, and compete in global markets by providing qualifying training, counseling, and access to resources. The SBA's Office of Native American Affairs has been providing these services and tribal consultations for many years.

However, the office has yet to be codified into law. This legislation will codify this office and provide Congress with an annual report that includes the number of individuals served, consultations provided, and the trainings held by the office. This report will improve transparency and increase oversight of the office.

I urge my colleagues to vote yes on H.R. 7396, and I yield back.

Does anyone wish to offer an amendment?

Seeing none, the question now occurs on ordering H.R. 7396 reported in favor to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it.

H.R. 7396 is agreed to.

Mr. MEUSER. Mr. Chairman?

Chairman WILLIAMS. For what purpose does the gentleman from Pennsylvania seek recognition?

Mr. MEUSER. I would like to request a recorded vote.

Chairman WILLIAMS. So moved. The recorded vote has been requested. A roll call vote is ordered.

Persuaded to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

Committee now moves to consideration of H.R. 7412, the Put America on Commission Act of 2026. Introduced by myself and Representative Olszewski from the great state of Maryland.

The Clerk will report the bill.

H.R. 7412

The CLERK. H.R.7412, a bill to amend the small——

Chairman WILLIAMS. Without objection, H.R. 7412 is considered as read and open for amendment.

I now recognize myself to speak in support of this legislation.

H.R. 7412, the Put America on Commission Act of 2026, will maximize the SBA's efforts to recover fraudulent pandemic loan funds by incentivizing everyday Americans to submit credible information on fraudulent loans in exchange for a commission. This bill will establish the Office of Whistleblower Rewards within the SBA to receive whistleblower tips from the public and forward credible evidence to the Office of Inspector General. If the information received from a whistleblower results in a final conviction, the office will disperse a monetary award to the whistleblower.

The SBA's Office of Inspector General estimates that over $200 billion in taxpayer dollars were given out to bad actors through the SBA's PPP, EIDL, and other COVID-19 relief programs. This accounts for nearly 20 percent of all pandemic funding or lending, and this legislation opens up a new avenue for tracking down the fraudsters. Whistleblowers can serve as a key tool in recovering the unprecedented amount of fraud and ensuring fraudsters are brought to justice.

The newly established Office of Whistleblower Rewards would be led by one staff member who coordinates tips with the SBA Inspector General for investigation. Notably, the office's operations and whistleblower awards are fully funded by recovered fraudulent loan accounts, which are deposited into the whistleblower award fund. Under the bill, the SBA may also seek a separate civil monetary penalty against convicted fraudsters, and the income from the penalties will be deposited into the whistleblower award fund. In the private sector of a commission's work, the bill utilizes the common practice to help bring more fraudsters to justice. No one should be able to defraud the American taxpayers without consequence.

I greatly appreciate the work that the Office of the Inspector General has done to date to uncover the extent of the fraud. This bill will help the Office of the Inspector General obtain the information needed to catch fraudsters and do right by American businesses.

I am proud to introduce legislation to help introduce fraudsters accountable and recover billions of dollars stolen from American taxpayers. Even the infamous CBO determined the same legislation from last Congress would reduce the deficit by $108 million over 10 years.

So I urge my colleagues to vote yes on H.R. 7412, and I yield back.

I now recognize the bill's co-sponsor, Representative Olszewski, from the great state of Maryland, for a statement on the bill.

Mr. OLSZEWSKI. Thank you very much, Mr. Chairman. I do want to begin by thanking you, Chairman Williams, for your partnership and your leadership on this important effort. Likewise, I

want to echo your sentiments and lift up the important work of the Inspector General. I am very proud to lead this bipartisan bill because I believe that we can and should always work harder to ensure tax dollars are being spent as intended and as efficiently as possible.

Before coming to Congress, I had the privilege of serving in both state and local elected office, including 6 years as Baltimore County Executive. In that role, I authored our county's first comprehensive and enterprise-wide efficiency review. In that work, we came up with over 150 recommendations with the potential savings of $771 million for taxpayers, many of which my team and I implemented and are still being used today to save residents millions annually. It is the kind of work government should be leading all the time, and it is why I am proud to join the Chairman to lead this innovative bipartisan legislation that would incentivize Americans to report the potential misuse of federal dollars.

My work in Baltimore County made sure we were being efficient in our use of taxpayer funding. This bill aims to save tax dollars by holding people and organizations who commit fraud accountable.

During the COVID-19 pandemic, emergency funds were rushed out to keep workers employed, small businesses afloat, and families stable. I was proud to help administer many of these programs as county executive. That money was meant to be a lifeline, and for many, it was. But when individuals abused those programs for personal gain, they didn't just break the law and steal from the federal government. They stole from others who were already under tremendous strain.

An office dedicated to reporting COVID-19 fraud protects the integrity of all public programs, and it sends a clear message: help is there for those who need it, but exploitation will not be tolerated. This bill will hold criminals accountable and offer multiple pathways for patriotic Americans to report potential fraud and abuse. In turn, it will help us recover funds and restore public trust.

I urge a yes vote from my colleagues. Thank you very much, and I yield back.

Chairman WILLIAMS. Gentleman yields back.

I now recognize Representative Alford from the great state of Missouri for a statement on the bill.

Mr. ALFORD. Thank you, Chairman Williams and Ranking Member Velázquez, for bringing forward this important legislation.

You know, relief funds were meant to help small businesses survive an unprecedented crisis, not to line the pockets of criminals. Every dollar stolen is a dollar taken from an honest entrepreneur who played by the rules and needed that support to keep their doors open and their employees on payroll.

Unfortunately, we don't have to look too far from my district. In Kansas City, Missouri, three men were recently indicted for allegedly fraudulently obtaining more than $447,000 in the Paycheck Protection Program Loans using false payroll records. Authorities allege that those loans were later forgiven, even though the funds were not used for authorized purposes. Folks, that is half a million dollars. It is nearly half a million dollars diverted away from the small businesses these programs were created to help. Cases like

this undermine public trust and disadvantage the very people that these programs were designed to support.

And that is just one example. Nationwide, hundreds of billions of dollars in suspected pandemic loan fraud remains outstanding. The American people deserve confidence that Congress is doing everything possible to recover those funds and hold bad actors accountable.

I am encouraged that under Administrator Kelly Loeffler, the SBA is taking this issue seriously. We are seeing a renewed focus on oversight, enforcement, and restoring integrity to these programs so that taxpayer dollars are protected. And that is why I fully support Chairman Williams' Put America on Commission Act. This bill establishes an Office of Whistleblowers Rewards with the Small Business Administration to incentivize individuals to come forward with credible information about pandemic loan fraud.

Pandemic relief programs like PPP and EIDL were lifelines for millions of small businesses. And if we fail to pursue fraud aggressively, we risk undermining confidence in future emergency programs when Americans need them most. I urge my colleagues to support this common-sense, bipartisan bill so that we can continue recovering stolen funds and send a clear message to the American people that if you defraud the American taxpayer, you will be held accountable.

And with that, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Representative Stauber from the great state of Minnesota for a statement on the bill.

Mr. STAUBER. Thank you, Mr. Chairman. I want to start by being very clear. What happened during the pandemic with federal relief dollars, and what has happened in states like my home state of Minnesota, was not just unfortunate. It was a gross failure of oversight and a betrayal of the American taxpayer.

In my home state, we have uncovered billions of dollars in fraud, federal dollars provided by the good people and law-abiding taxpayers in my great state of Minnesota and across this great nation. They were taken by organized fraud rings. This wasn't just small oversights or mix-ups. This was a systemic abuse, abuse made possible by our failing governor and his administration in my state, and by other programs with weak controls and no oversight.

We have seen case after case where taxpayer dollars meant to help struggling families and small businesses instead lie in the pockets of criminals. And once the money was gone, the government was left without the tools or information needed to recover it. This is unacceptable. Every dollar stolen is a dollar taken away from a legitimate mom-and-pop shop trying to stay open or a family just trying to put food on the table.

It is also deeply offensive to the millions of Americans who followed the rules while fraudsters got rich. That is why H.R. 7412, the Put America on Commission Act, is so critical. This bill recognizes a simple truth. The government cannot catch fraud alone. Often, the people who know fraud is happening are the insiders, neighbors, or employees who see it firsthand. But too often, they have no incentive or even a clearer way to come forward.

By creating an Office of Whistleblower Rewards within the SBA, this legislation puts real teeth behind fraud enforcement. It incentivizes credible tips, helps uncover hidden fraud schemes, and provides the SBA with the information it needs to recover stolen taxpayer dollars. This is about accountability. It is about deterrence. And it is about sending a message. If you stole from the American people, you will be found, and you will be held responsible.

I commend Chairman Williams and Congressman Olszewski for bringing forward this bipartisan, common-sense solution. If we are serious about stopping fraud, protecting honest businesses, and restoring trust in federal programs, this bill is exactly the kind of action Congress should be taking. I strongly urge H.R. 7412—I strongly support, rather, H.R. 7412 and urge its adoption.

And I yield back, Mr. Chair.

Chairman WILLIAMS. The gentleman yields back. Are there any other Members who wish to be recognized for a statement?

All right, seeing none, I would like to recognize the Ranking Member to speak on this bill.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. I share your commitment to recovering fraudulent obtained COVID-19 pandemic relief funds.

As you may recall, I led efforts to extend the statute of limitations for fraud in the EIDL and PPP programs. This bill, which became law, sent a strong message that unscrupulous behavior will not be tolerated and that those who commit fraud will be held accountable in the years to come. And in this Congress, we came together to extend the statute of limitations in two more pandemic relief programs.

While we may never know the exact amount of fraud, there is no doubt that the vast majority of the fraud occurred in the first 9 months of the pandemic, during President Trump's first term, when the guardrails were lowered to get the money out the door quickly during the crisis. We also know with certainty that the SBA took a number of steps to curtail that fraud, including reinstituting longstanding controls, establishing a Fraud Risk Management Board, and creating a Special Counsel for Enterprise Risk.

Currently, the OIG has more than 130,000 actionable leads that have been submitted to their hotline. The issue before us is not a failure to identify fraud. The OIG has enough credible leads to remain active for decades. The real challenge is ensuring our law enforcement community has the resources it needs to thoroughly investigate and prosecute fraud.

I appreciate the efforts of the Chairman to come up with a creative solution to help recover fraudulent funds, and I commend Representative Olszewski for leading this bill along with Mr. Williams.

Thank you, and I yield back.

Chairman WILLIAMS. Thank you, and the gentlelady does yield back. And does anyone wish to offer an amendment?

Seeing none, the question now occurs in order in H.R. 7412, reported favorably to the House.

All those in favor say aye.

All those opposed say no.

And depending on the Chair, the ayes have it, and H.R. 7412——

Mr. STAUBER. Mr. Chair?

Chairman WILLIAMS. Yes, sir.

Mr. MEUSER. I request a recorded vote, please.

Chairman WILLIAMS. A recorded vote has been requested, and a roll call vote is ordered. So, pursuant to Committee Rule 13 and House Rule 11, further proceedings on this bill are postponed.

Okay, now the Committee will stand in recess, subject to the call of the Chair. Members, please remain in your seats while we set up the voting software. This will be very brief.

[Recess.]

Chairman WILLIAMS. The Committee will now come to order. We will resume consideration of the bills on which roll call votes were requested and postponed.

We will start with H.R. 7401. The question now occurs in order in H.R. 7401, reported favorably to the House. The Clerk will open the vote.

[The vote was taken.]

Chairman WILLIAMS. Are there any other Members who have not voted or wish to change their vote? If not, the Clerk will close the vote.

The Clerk will report.

The CLERK. Mr. Chairman, on this vote, the ayes are 24, and the noes are zero.

Chairman WILLIAMS. H.R. 7401 is ordered, reported to the House with a favorable recommendation.

The question now occurs in order in H.R. 7396, reported favorably to the House.

The Clerk will open the vote.

[The vote was taken.]

Chairman WILLIAMS. Okay, are there any other Members who have not voted or wish to change their vote? If not, the Clerk will close the vote.

The Clerk will report.

The CLERK. Mr. Chairman, on this vote, the ayes are 24, and the noes are zero.

Chairman WILLIAMS. H.R. 7396 is ordered, reported to the House with a favorable recommendation.

The question now occurs in order in H.R. 7412, reported favorably to the House. The Clerk will open the vote.

[The vote was taken.]

Chairman WILLIAMS. Are there any other Members who have not voted or wish to change their vote? If not, the Clerk will close the vote.

The Clerk will report.

The CLERK. Mr. Chairman, on this vote, the ayes are 24, and the noes are zero.

Chairman WILLIAMS. H.R. 7412 is ordered, reported to the House with a favorable recommendation.

And if there is no further business, this concludes today's mark-up. I want to thank all of you for this.

Without objection, the Committee staff is authorized to make technical and conforming changes, and Members have 2 business days to file additional supplemental dissenting and minority views.

I want to thank all of you for being here today. Again, without objection, the Committee stands adjourned. Thank you.

[Whereupon, at 9:43 a.m., the committee was adjourned.]

APPENDIX

I

119TH CONGRESS
2D SESSION

H. R. 7401

To require employees of the Small Business Administration to certify that the employee does not have any prohibited conflicts of interest with respect to loans in which the employee is involved, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2026

Mr. MEUSER (for himself and Ms. GOODLANDER) introduced the following bill; which was referred to the Committee on Small Business

---

A BILL

To require employees of the Small Business Administration to certify that the employee does not have any prohibited conflicts of interest with respect to loans in which the employee is involved, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Lending Fraud Prevention Act''.

SEC. 2. SMALL BUSINESS ADMINISTRATION EMPLOYEE CONFLICT OF INTEREST CERTIFICATION.

(a) IN GENERAL.—Beginning on the date that is 270 days after the date of the enactment of this Act, an employee of the Administration that will personally and substantially participate in the origination, review, or approval of a loan administered by the Administration shall, prior to such participation in such loan, certify to the Administrator in writing that such employee—

(1) to their knowledge, does not have any conflict of interest prohibited under section 208 of title 18, United States Code, or section 2635.502 of title 5, Code of Federal Regulations, with respect to such participation in such loan;

(2) upon learning of any such conflict of interest after submitting such certification, will immediately disclose such conflict of interest to the supervisor of such employee and recuse themselves from participating in such loan; and

(3) understands the requirements applicable to such employee under Federal law and regulations of the Administration regarding conflicts of interest with respect to such participation in such loan.

(b) REGULATIONS.—Not later than 180 days after the date of enactment, the Administrator shall issue regulations implementing this Act.

(c) DEFINITIONS.—In this Act:

(1) ADMINISTRATION.—The term ''Administration'' means the Small Business Administration.

(2) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Administration.

Æ

I

119TH CONGRESS
2D SESSION

H. R. 7396

To establish an Office of Native American Affairs within the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2026

Ms. DAVIDS of Kansas (for herself, Mr. ELLZEY, Ms. MORRISON, and Mr. CRANE) introduced the following bill; which was referred to the Committee on Small Business

---

A BILL

To establish an Office of Native American Affairs within the Small Business Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Native American Entrepreneurial Opportunity Act''.

SEC. 2. OFFICE OF NATIVE AMERICAN AFFAIRS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 49 (15 U.S.C. 631 note) as section 50; and

(2) by inserting after section 48 (15 U.S.C. 657u) the following:

"SEC. 49. OFFICE OF NATIVE AMERICAN AFFAIRS.

''(a) DEFINITIONS.—In this section:

''(1) ASSISTANT ADMINISTRATOR.—The term 'Assistant Administrator' means the Assistant Administrator for Native American Affairs appointed under subsection (c).

''(2) INDIAN TRIBE.—The term 'Indian Tribe' has the meaning given the term 'Indian tribe' in section 8(a)(13).

''(3) NATIVE HAWAIIAN ORGANIZATION.—The term 'Native Hawaiian Organization' has the meaning given the term in section 8(a)(15).

''(4) OFFICE.—The term 'Office' means the Office of Native American Affairs described in this section.

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established within the Administration the Office of Native American Affairs, which shall be responsible for establishing a working relationship with Indian Tribes and Native Hawaiian Organizations by targeting programs of the Administration relating to entrepreneurial development, contracting, and capital access to—

"(A) establish or expand small business concerns owned and controlled by individuals who are members of Indian Tribes or Native Hawaiian Organizations; and

"(B) promote economic development in Indian country (as defined in section 1151 of title 18, United States Code).

"(2) CONNECTION WITH OTHER PROGRAMS.—To the extent reasonable, the Office shall educate Indian Tribes and Native Hawaiian Organizations about programs administered by other Federal agencies related to the interests described in paragraph (1).

"(c) ASSISTANT ADMINISTRATOR.—The Office shall be headed by an Assistant Administrator for Native American Affairs, who shall—

"(1) be appointed by and report to the Administrator;

"(2) have knowledge of Native American cultures and experience providing culturally tailored small business development assistance to Native Americans;

"(3) provide assistance to Indian Tribes and Native Hawaiian Organizations and small business concerns owned and controlled by individuals who

are members of Indian Tribes or Native Hawaiian Organizations;

''(4) formulate policies, and promote policies and existing programs, to better address the entrepreneurial, capital access, business development, and contracting needs of persons described in paragraph (3);

''(5) collaborate with Associate Administrators within the Administration and officials of other Federal agencies to develop policies and plans to implement programs of the Administration to holistically address the needs described in paragraph (4);

''(6) provide assistance, including grants, contracts, cooperative agreements, or other financial assistance, to Indian Tribes and Native Hawaiian Organizations, or to private nonprofit organizations governed by members of Indian Tribes or Native Hawaiian Organizations that have the experience and capability to use the assistance to—

''(A) deploy training, counseling, workshops, educational outreach, and supplier events; and

''(B) access the entrepreneurial, capital, and contracting programs of the Administration;

"(7) assist the Administrator in conducting, or conduct, Tribal consultation to solicit input and facilitate discussion of potential modifications to programs and procedures of the Administration; and

"(8) recommend annual budgets for the Office.

"(d) REPORT TO CONGRESS.—On an annual basis until the termination date, the Assistant Administrator shall submit to Congress a report on the effectiveness of the Office of Native American Affairs that includes the number of clients served in Tribal communities, the number of consultations conducted, and the number of trainings held in Tribal country.

"(e) TERMINATION.—The authority under this section shall terminate 7 years after the date of the enactment of this section.".

Æ

I

119TH CONGRESS
2D SESSION

H. R. 7412

To amend the Small Business Act to establish the Office of Whistleblower Awards, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2026

Mr. WILLIAMS of Texas (for himself and Mr. OLSZEWSKI) introduced the following bill; which was referred to the Committee on Small Business

---

A BILL

To amend the Small Business Act to establish the Office of Whistleblower Awards, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Put America on Commission Act of 2026''.

SEC. 2. ESTABLISHMENT OF THE OFFICE OF WHISTLEBLOWER AWARDS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 7(b), by redesignating the second paragraph (16) (relating to statute of limitations) as paragraph (17);

(2) by redesignating section 49 as section 50; and

(3) by inserting after section 48 the following new section:

"SEC. 49. OFFICE OF WHISTLEBLOWER AWARDS.

"(a) ESTABLISHMENT.—There is established within the Office of Performance, Planning, and the Chief Financial Officer of the Administration an Office of Whistleblower Awards.

"(b) ADMINISTRATION.—The Office of Whistleblower Awards shall be administered by an employee in the competitive service.

"(c) AWARDS TO WHISTLEBLOWERS.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the head of the Office of Whistleblower Awards shall—

"(A) with respect to information submitted to head of the Office of Whistleblower Awards by whistleblowers relating to financial misconduct or fraudulent misrepresentation by a recipient of financial assistance from the Administrator—

"(i) determine, in coordination with the Inspector General, whether such information is original information; and

"(ii) for all such information that is original information—

"(I) collect and transmit to the Inspector General such original information; and

"(II) track the use of such original information in obtaining final convictions and settlement and plea agreements; and

"(B) pay an award in an amount as described in paragraph (2) to a whistleblower for information described in subparagraph (A) that is original information submitted to head of the Office of Whistleblower Awards by such whistleblower if a person is finally convicted pursuant to, or enters into a settlement or plea agreement with respect to, a COVID loan action that is based, in whole or in part, on such original information, as determined by the Inspector General.

"(2) AMOUNTS.—Any amount payable under this section shall be paid from the amounts depos-

ited in the Whistleblower Award Fund established under subsection (f) based on a person finally convicted pursuant to, or a settlement or plea agreement with respect to, a COVID loan action that is based, in whole or in part, on original information provided to the head of the Office of Whistleblower Awards by the whistleblower as follows:

''(A) 10 percent of the amounts so deposited if the person so convicted or who entered into such settlement or plea agreement, as applicable, is a national of the United States or an entity located in the United States.

''(B) 15 percent of the amounts so deposited if the person so convicted or who entered into such settlement or plea agreement, as applicable, is a foreign national or an entity located in a country other than the United States.

''(3) MULTIPLE WHISTLEBLOWERS.—

''(A) IN GENERAL.—If a person is finally convicted pursuant to, or enters into a settlement or plea agreement with respect to, a COVID loan action that is based, in whole or in part, on information described in paragraph (1)(A) that is original information from mul-

tiple whistleblowers, only the whistleblower who made the most substantial contribution with respect to such COVID loan action (including such conviction, settlement agreement, or plea agreement), as determined by the head of the Office of Whistleblower Awards, may receive an award under this section with respect to a conviction pursuant to, or a settlement or plea agreement with respect to, such COVID loan action.

''(B) SUBSTANTIALITY DETERMINATION.—For the purposes of determining which whistleblower made the most substantial contribution with respect to a COVID loan action under subparagraph (A), the head of the Office of Whistleblower Awards shall consider—

''(i) the significance of the original information of the whistleblower with respect to such COVID loan action;

''(ii) the role of the whistleblower and any legal representative of the whistleblower in contributing to such COVID loan action; and

"(iii) such other criteria as the head of the Office of Whistleblower Awards determines appropriate.

"(d) ADDITIONAL REQUIREMENTS.—

"(1) REDUCTION IN AWARD.—The head of the Office of Whistleblower Awards may reduce to an amount greater than or equal to zero an award to a whistleblower under this section for original information relating to financial misconduct or fraudulent misrepresentation by a recipient of financial assistance from the Administrator if the head of the Office of Whistleblower Awards determines that such whistleblower planned or initiated the actions that led to such financial misconduct or fraudulent misrepresentation.

"(2) CRIMINAL CONVICTION.—

"(A) DENIAL.—A whistleblower who is finally convicted of an offense arising out of planning or initiating the actions that led to the financial misconduct or fraudulent misrepresentation by a recipient of financial assistance from the Administrator is ineligible for any award under this section with respect any conviction, settlement agreement, or plea agree-

ment related to such financial misconduct or fraudulent misrepresentation.

"(B) REPAYMENT.—As a condition of receiving an award under this section, the whistleblower shall agree to repay the full amount of the award if the whistleblower is finally convicted of an offense relating to the original information that was the basis for receipt of such award.

"(3) NO CONTRACT NECESSARY.—A whistleblower shall not be required to be a party to a contract with the Administrator to be eligible to receive an award under this section.

"(4) TIMING.—The head of the Office of Whistleblower Awards shall disburse payments to a whistleblower under this section not later than one year after the date on which amounts have been deposited into the Whistleblower Award Fund based on a conviction pursuant to, or a settlement or plea agreeement entered into with respect to, a COVID loan action based, in whole or in part, on information described in subsection (c)(1)(A) that is original information provided by such whistleblower.

"(5) STATUS UPDATES.—The head of the Office of Whistleblower Awards shall—

"(A) provide confirmation of the receipt of information described in subsection (c)(1)(A) to the whistleblower that submitted such information;

"(B) provide to such whistleblower—

"(i) a notice of the determination whether such information is original information; and

"(ii) for such information that is original information, a notice of each determination by the Inspector General pursuant to a final conviction or settlement or plea agreement with respect to a COVID loan action whether such information was the basis, in whole or in part, of such COVID loan action; and

"(C) ensure that procedures consistent with section 1213 of title 5, United States Code, for findings on the disclosure and for the whistleblower to comment on any preliminary determinations.

"(6) ANTI-RETALIATION.—

"(A) IN GENERAL.—No person may be discriminated against and no other prejudicial action may be taken against a person because

such person has made, is perceived as about to make, or assisted or associated with a person who made or is about to make a disclosure under this section.

''(B) RELIEF.—Any person who alleges to discrimination or other prejudicial action in violation of subparagraph (A) may seek relief for a violation of such subparagraph pursuant to the rights, procedures, burdens of proof and remedies in paragraphs (2) through (5) of section 5323(g) of title 31, United States Code.

''(e) APPEALS.—A determination made under this section by the head of the Office of Whistleblower Awards, except the determination of the amount of an award if the award was made in accordance with the requirements of subsection (c)(2), may be appealed by the whistleblower subject to such determination to the appropriate court of appeals of the United States not more than 30 days after the determination is issued by the head of the Office of Whistleblower Awards. The court shall review the determination in accordance with section 706 of title 5, United States Code.

''(f) WHISTLEBLOWER AWARD FUND.—

"(1) ESTABLISHMENT.—There is established in the Department of the Treasury a revolving fund to be known as the 'Whistleblower Award Fund'.

"(2) USE OF FUND.—Amounts in the Whistleblower Award Fund shall be available to head of the Office of Whistleblower Awards, without further appropriation or fiscal year limitation, for—

"(A) payment of awards made under this section; and

"(B) the necessary expenses for the operation of the Office of Whistleblower Awards.

"(3) DEPOSITS.—Notwithstanding any other provision of law, if a person is finally convicted pursuant to, or enters into a settlement or plea agreement with respect to, a COVID loan action based, in whole or in part, on original information described in subsection (c)(1) that is provided to the head of the Office of Whistleblower Awards by a whistleblower, there shall be deposited into the Whistleblower Award Fund all amounts collected from such person by the Federal Government, including amounts collected as a result of a civil monetary penalty under subsection (g)—

"(A) for or pursuant to such conviction; or

"(B) under or pursuant to such settlement or plea agreement.

"(4) REMAINING AMOUNTS.—The Administrator shall deposit into the general fund of the Treasury any amounts in the Whistleblower Award Fund not used to pay whistleblowers under subsection (c) or the necessary expenses for the operation of the Office of Whistleblower Awards.

"(g) CIVIL MONETARY PENALTY.—

"(1) IN GENERAL.—Any person who is finally convicted pursuant to a COVID loan action or who enters into a settlement or plea agreement with respect to a COVID loan action shall, in addition to any other penalties that may be prescribed by law, be subject to a civil monetary penalty, assessed by the Administrator, in an amount equal to 30 percent of the aggregate of the principal amounts of the loans with respect to which such person was so finally convicted or entered into such a settlement or plea agreement.

"(2) COLLECTION.—

"(A) IN GENERAL.—Civil money penalties and assessments imposed under this subsection may be compromised by the Adminstrator and may be recovered in a civil action in the name

of the United States brought in United States district court for the district where the conduct serving as the basis for the relevant COVID loan action occurred or in United States district court for the district in which the person against whom the penalty or assessment has been assessed resides, as determined by the Administrator.

''(B) WITHHOLDINGS.—

''(i) IN GENERAL.—The amount of a civil money penalty and assessment imposed under this subsection, when finally determined, or the amount agreed upon in compromise, may be deducted from any sum then or later owing by the United States to the person against whom the penalty or assessment has been assessed.

''(ii) TREATMENT.—For the purposes of awards under this section, amounts deducted under clause (i) shall be deposited into the Whistleblower Award Fund.

''(h) REPORT.—Not later than 12 months after the date of the enactment of this section, and annually thereafter, the Administrator shall submit to Congress a report on—

"(1) the number of times whistleblowers submitted to the head of the Office of Whistleblower Awards original information relating to financial misconduct or fraudulent misrepresentation by a recipient of financial assistance from the Administrator;

"(2) the amount of awards disbursed under this section; and

"(3) any legislative or administrative recommendations regarding the duties of the Office of Whistleblower Awards.

"(i) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to modify or interfere with any investigations carried out by the Inspector General or another Federal agency.

"(j) SUNSET.—

"(1) IN GENERAL.—Except as provided by paragraph (2), the authority under this section shall terminate on the date that the last COVID loan action that was timely filed and either—

"(A) has not been appealed and is no longer appealable because the time for taking an appeal has expired; or

"(B) has been appealed and the appeals process for such conviction is completed.

"(2) APPEALS.—Notwithstanding paragraph (1), the authority under this section shall continue with respect to a claim for an award under this section for which a determination is being appealed or is appealable under subsection (e) as of the date described in such paragraph until a determination for such award is no longer being appealed or appealable under subsection (e).

"(k) DEFINITIONS.—In this section:

"(1) COVID LOAN ACTION.—The term 'COVID loan action' means a criminal charge or civil enforcement action described in—

"(A) section 7(a)(36)(W);

"(B) section 7(a)(37)(P);

"(C) section 7(b)(17);

"(D) section 1110(e)(9) of the CARES Act (15 U.S.C. 9009(e)(9)); or

"(E) section 331(i) of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (15 U.S.C. 9009b(i)).

"(2) FINAL CONVICTION; FINALLY CONVICTED.—The terms 'final conviction' and 'finally convicted' mean, with respect to a person, that such person has been convicted of an offense and such conviction—

"(A) has not been appealed and is no longer appealable because the time for taking an appeal has expired; or

"(B) has been appealed and the appeals process for such conviction is completed.

"(3) INSPECTOR GENERAL.—The term 'Inspector General' means the Inspector General of the Administration.

"(4) ORIGINAL INFORMATION.—The term 'original information' means information that—

"(A) is derived from the independent knowledge or analysis of a whistleblower;

"(B) is not known to the Administrator or Inspector General from any source other than the whistleblower, unless the whistleblower is the original source of the information;

"(C) is not exclusively derived from an allegation made in a judicial or administrative action, in a governmental report, hearing, audit, or investigation, or from the news media, unless the whistleblower is a source of the information; and

"(D) was provided to the Inspector General—

"(i) after the date of the enactment of this Act; or

"(ii) by a means other than a hotline for reporting fraud, waste, and abuse that is maintained by the Inspector General.

"(5) WHISTLEBLOWER.—The term 'whistleblower' means an individual who submits information to the Office of Whistleblower Awards that such individual reasonably believes relates to financial misconduct or fraudulent misrepresentation by a recipient of financial assistance from the Administrator.".

SEC. 3. RULEMAKING.

(a) IN GENERAL.—Not later than six months after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue rules necessary to carry out the requirements of section 49 of the Small Business Act, as added by this Act.

(b) CONTRIBUTION DETERMINATION.—

(1) IN GENERAL.—Not later than three months after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue rules providing that—

(A) after the head of the Office of Whistleblower Awards transmits original information to

the Inspector General of the Small Business Administration under subsection (c)(1)(A)(ii)(I) of section 49 of the Small Business Act, as added by section 2, and tracks such information through a final conviction or settlement or plea agreement with respect to a COVID loan action, the head of the Office of Whistleblower Awards shall request that the Inspector General indicate, for each piece of such original information, that—

(i) such original information was the basis, in whole or in part, of such COVID loan action;

(ii) such original information was not the basis, in whole or in part, of such COVID loan action; or

(iii) whether such original information was the basis, in whole or in part, of such COVID loan action may not be disclosed; and

(B) if the Inspector General indicates that whether a piece of original information was the basis, in whole or in part, of a COVID loan action may not be disclosed, such original information shall be deemed to have not been the

basis, in whole or in part, of such COVID loan action.

(2) COVID LOAN ACTION; FINAL CONVICTION; ORIGINAL INFORMATION DEFINED.—In this subsection, the terms ''COVID loan action'', ''final conviction'', and ''original information'' have the meanings given such terms in subsection (k) of section 49 of the Small Business Act, as added by section 2.

Æ

DCUC
DEFENSE CREDIT UNION COUNCIL

1627 Eye St, NW
Suite 935
Washington, DC 20006

202.734.5007
www.dcuc.org

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.

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.

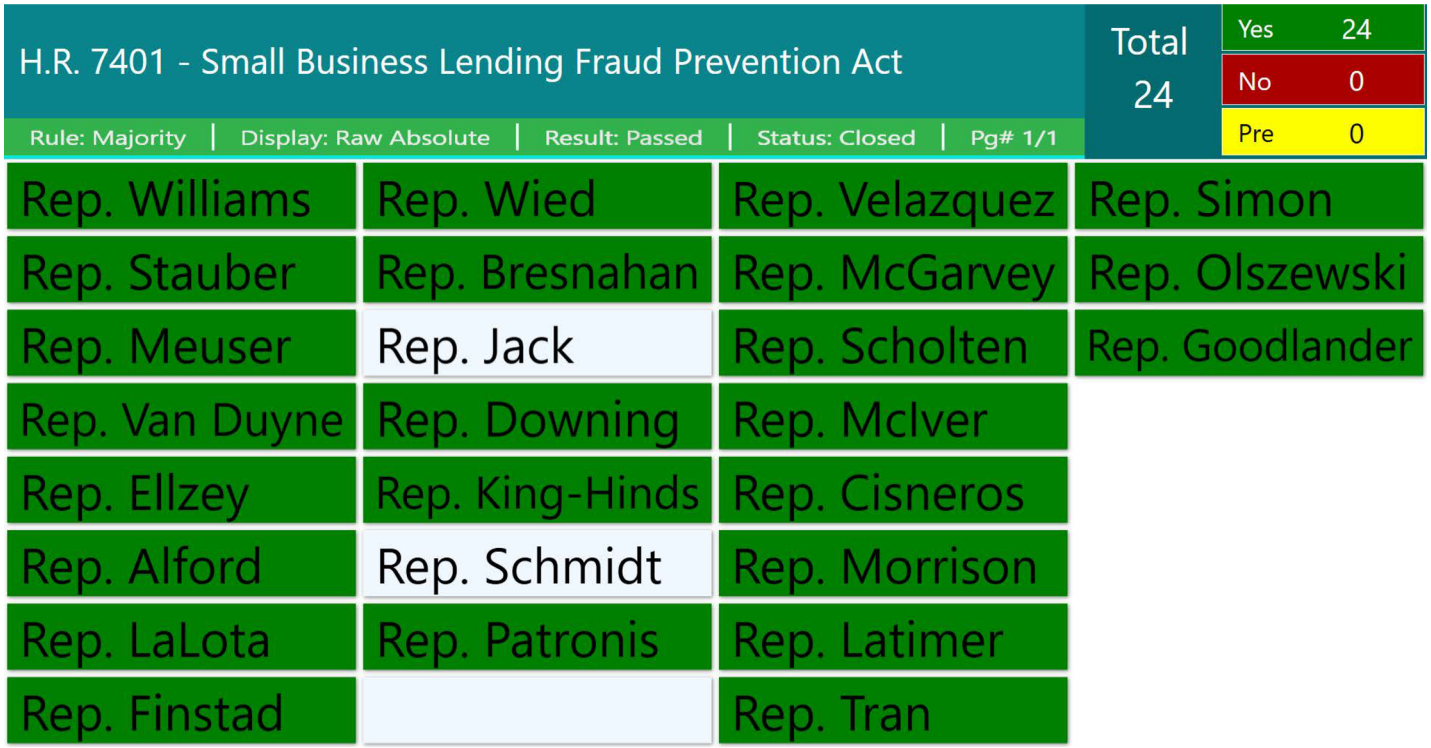
Credit unions serving defense communities stand ready to be constructive partners in this effort. We look forward to continued engagement with the Committee as these measures advance and would welcome the opportunity to serve as a resource to Members and staff.

Thank you for your leadership and consideration.

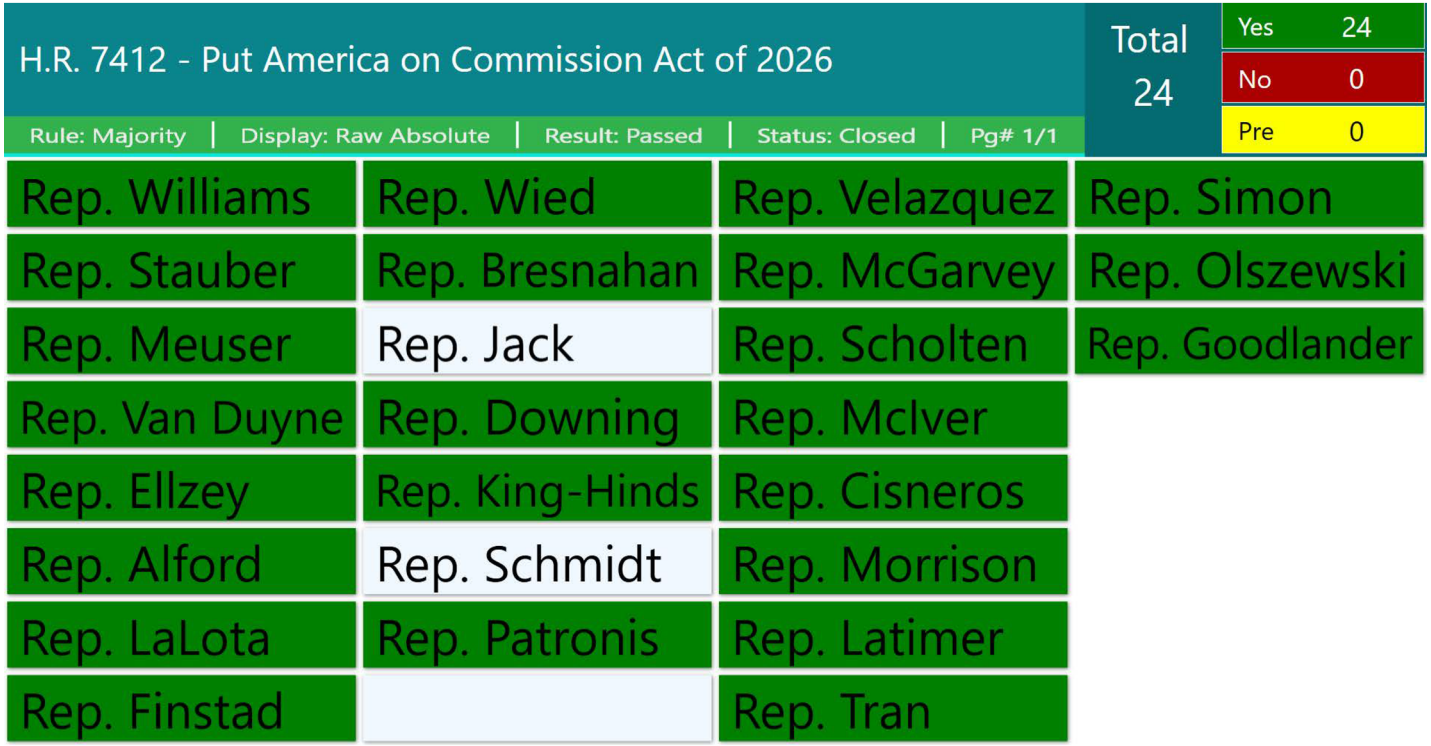
Sincerely,



Jason Stverak
Chief Advocacy Officer
DCUC


H.R. 7401 - Small Business Lending Fraud Prevention Act
Rule: Majority | Display: Raw Absolute | Result: Passed | Status: Closed | Pg# 1/1
Total 24
Yes 24
No 0
Pre 0
Rep. Williams
Rep. Wied
Rep. Velazquez
Rep. Simon
Rep. Stauber
Rep. Bresnahan
Rep. McGarvey
Rep. Olszewski
Rep. Meuser
Rep. Jack
Rep. Scholten
Rep. Goodlander
Rep. Van Duyne
Rep. Downing
Rep. McIver
Rep. Ellzey
Rep. King-Hinds
Rep. Cisneros
Rep. Alford
Rep. Schmidt
Rep. Morrison
Rep. LaLota
Rep. Patronis
Rep. Latimer
Rep. Finstad
Rep. Tran


H.R. 7396 - Native American Entrepreneurial Opportunity Act
Rule: Majority | Display: Raw Absolute | Result: Passed | Status: Closed | Pg# 1/1
Total 24
Yes 24
No 0
Pre 0
Rep. Williams
Rep. Wied
Rep. Velazquez
Rep. Simon
Rep. Stauber
Rep. Bresnahan
Rep. McGarvey
Rep. Olszewski
Rep. Meuser
Rep. Jack
Rep. Scholten
Rep. Goodlander
Rep. Van Duyne
Rep. Downing
Rep. McIver
Rep. Ellzey
Rep. King-Hinds
Rep. Cisneros
Rep. Alford
Rep. Schmidt
Rep. Morrison
Rep. LaLota
Rep. Patronis
Rep. Latimer
Rep. Finstad
Rep. Tran


H.R. 7412 - Put America on Commission Act of 2026
Rule: Majority | Display: Raw Absolute | Result: Passed | Status: Closed | Pg# 1/1
Total 24
Yes 24
No 0
Pre 0
Rep. Williams
Rep. Wied
Rep. Velazquez
Rep. Simon
Rep. Stauber
Rep. Bresnahan
Rep. McGarvey
Rep. Olszewski
Rep. Meuser
Rep. Jack
Rep. Scholten
Rep. Goodlander
Rep. Van Duyne
Rep. Downing
Rep. McIver
Rep. Ellzey
Rep. King-Hinds
Rep. Cisneros
Rep. Alford
Rep. Schmidt
Rep. Morrison
Rep. LaLota
Rep. Patronis
Rep. Latimer
Rep. Finstad
Rep. Tran

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. LaLota (NY-01)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)		
	Mr. Downing (MT-02)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)		
	Mr. Patronis (FL-01)	X	
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)	X	
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)	X	
	TOTALS	24	0

COMMITTEE ON SMALL BUSINESS
119th Congress (*Second Session*)

Date: Wednesday, February 11, 2026

Time: 9:40 AM ET

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

Offered By: _____

Amendment #: _____

Result?	Agreed To: [X]		
	Not Agreed To: [ ]		
	Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	24	0	

FC Vote #	1

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. LaLota (NY-01)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)		
	Mr. Downing (MT-02)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)		
	Mr. Patronis (FL-01)	X	
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)	X	
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)	X	
	TOTALS	24	0

COMMITTEE ON SMALL BUSINESS
119th Congress (*Second Session*)

Date: Wednesday, February 11, 2026

Time: 9:41 AM ET

Measure: H.R.7396 – Native American Entrepreneurial Opportunity Act

Offered By: _____

Amendment #: _____

Result?	Agreed To: [X]		
	Not Agreed To: [ ]		
	Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	24	0	

FC Vote #	2

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. LaLota (NY-01)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)		
	Mr. Downing (MT-02)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)		
	Mr. Patronis (FL-01)	X	
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)	X	
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)	X	
	TOTALS	24	0

COMMITTEE ON SMALL BUSINESS
119th Congress (*Second Session*)

Date: Wednesday, February 11, 2026

Time: 9:42 AM ET

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

Offered By: _____

Amendment #: _____

Result?	Agreed To: [X]		
	Not Agreed To: [ ]		
	Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	24	0	

FC Vote #	3