

Congress of the United States

Washington, DC 20515

August 4, 2026

Dear Colleague,

As Congress works to eliminate waste, fraud, and abuse across the federal government, it is important to address the inefficiencies in the technology supporting more than 175 federal loan programs. Many agencies rely on outdated, fragmented systems that cannot effectively share data, verify identities, or detect fraud across programs. At the same time, taxpayers spend approximately \$4 billion annually maintaining these legacy platforms. To address these challenges, we invite you to cosponsor the Federal Loan Systems Modernization Act (S. 3980 / H.R. 7789).

Federal loan programs support housing, small businesses, infrastructure projects, disaster recovery efforts, and national security initiatives, lending billions of dollars each year. Yet the federal loan portfolio now approaches \$2 trillion in outstanding balances, while weaknesses in existing systems have left programs vulnerable to fraud, improper payments, and administrative inefficiencies.

The Federal Loan Systems Modernization Act would establish a centralized lending platform, modeled after the successful Grants.gov system, to provide borrowers with a single access point for federal loan programs while serving as a shared technology infrastructure for agencies. The platform would incorporate enhanced fraud prevention tools, including stronger identity verification, cross-agency data matching, real-time risk monitoring, and standardized underwriting and servicing capabilities.

Importantly, agencies would retain full authority over their individual loan programs, including eligibility requirements, program rules, and mission-specific responsibilities. The Federal Loan Systems Modernization Act would simply provide a modern, secure, and scalable technology backbone that improves operational efficiency, strengthens program integrity, and enhances service delivery for borrowers. In addition, the platform would create a framework for future modernization efforts across other shared government services.

This commonsense reform has already earned support from a broad coalition of organizations, including the Center for USA Lending, the Council for Citizens Against Government Waste, the Association of Government Accountants, the Shared Services Leadership Council, and the Committee for a Responsible Federal Budget.

We hope you will join us in advancing this important effort to reduce fraud, improve government efficiency, and better serve American taxpayers. To cosponsor the Federal Loan Systems Modernization Act, please contact Alexander Gonzalez at Alexander_Gonzalez@Blackburn.Senate.gov, Mark Bussow at Mark_Bussow@jec.senate.gov, Ella Yard at Ella.Yard@mail.house.gov, or Tristan Banks at Tristan.Banks@mail.house.gov.



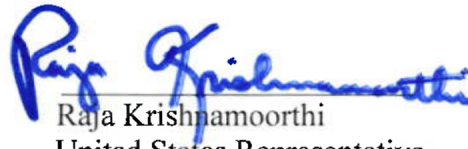
Marsha Blackburn
United States Senator



Maggie Hassan
United States Senator



Brad Finstead
United States Representative



Raja Krishnamoorthi
United States Representative