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Rebeca Romero Rainey, *President and CEO*

April 13, 2023

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to express our support for H.J.Res 50, a resolution of disapproval of the Consumer Financial Protection Bureau's (CFPB's) Small Business Loan Application Data Collection Rule. H.J.Res 50, introduced by Reps. Roger Williams, Andy Barr, Andrew Ogles, Daniel Meuser, and Blaine Luetkemeyer, would nullify a rule that will create a chilling effect on the credit small businesses need to survive and prosper in a time of economic uncertainty. ICBA and community banks urge all Members of the House to vote YES when H.J.Res 50 is considered on the House floor.

Community banks are deeply frustrated that the CFPB's final rule under Section 1071 of the Dodd-Frank Act fails to exempt community banks. As mission-focused lenders, community banks have a long history of originating loans that create credit for minority- and woman-owned businesses, consistent with the underlying intent of Section 1071. The final rule fails to take this into consideration.

The rigid data collection requirements of the new rule will limit the ability of community banks to tailor loans to meet the unique needs of their small business customers, which is the cornerstone of relationship lending. Each small business loan is unique and has customized terms based on an analysis of numerous factors. The final rule will force lenders to standardize loan terms and limit options to the detriment of borrowers, including minority- and women-owned businesses.

Instead of accommodating community banks and their customers, the final rule mandates the collection of eight additional data points not required by statute. The breadth of the data required to be collected and potentially published may make it possible to identify individual borrowers thereby compromising their financial privacy. Moreover, the mandated data collection will increase compliance costs for community banks and result in a higher cost of credit for small business borrowers who are already struggling with historic inflation, higher interest rates, and a possible recession.

The Nation's Voice for Community Banks.®

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H.J.Res. 50 will reverse the harm of a misguided rule dictating that the Bureau craft a rule that preserves the flow of credit to American small businesses.

Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

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