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December 7, 2023

The Honorable Joseph R. Biden  
President of the United States  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

**RE: Bipartisan Congressional Review Act resolution to nullify the Consumer Financial Protection Bureau's Section 1071 small business data collection rule**

Dear President Biden:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to urge you to sign into law S.J.Res.32, a Congressional Review Act resolution of disapproval of the Consumer Financial Protection Bureau's (CFPB's) Small Business Loan Application Data Collection Rule under Section 1071 of the Dodd-Frank Act. S.J.Res.32 would nullify a rule that will unintentionally create a chilling effect on the credit small businesses need to survive and prosper in a time of economic uncertainty. More than 10,000 letters were sent to Congress by community bankers and small business owners from across the country in support of this important resolution. Notably, it passed both the Senate and the House on strong bipartisan votes.

ICBA advocated for a community-bank exemption in the CFPB's final rule. 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. Unfortunately, the final rule does not take this mission focus into consideration and exempts only the smallest lenders.

The rigid data collection requirements of the new rule will limit the ability of community banks to tailor loans to meet the needs of their small business customers. 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 numerous additional data points far exceeding those 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 and higher interest rates.

We urge you to sign S.J.Res.32 into law at your earliest convenience. Doing so will nullify this problematic rule and preserve the flow of credit to American small businesses.

Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO