

ICBA Regulatory Update: Section 1071 – Small Business Loan Data Collection

Topic/Issue: Section 1071

Agency: CFPB

Status: Final rule issued. Compliance dates are staggered, based on loan volume, with largest originators required to comply by October 2024.

ICBA Position: Section 1071 requires community banks to collect and report data – similar to HMDA – on small business loan applications, including data points on race, sex, and ethnicity of the small business applicant. ICBA is concerned that the data reporting requirements are (1) too complex for small community banks, (2) homogenize small business lending market, and (3) risk the privacy of small businesses, especially in rural areas.

Key Talking Points:

In Congress

- Our lobbyists are working every day to advance several bills and resolutions that would require significant relief for our community banks:
 - Supporting **Congressional Review Act** resolutions, H.J.Res.66 and S.J.Res.32, **Small Lenders Exempt from New Data and Excessive Reporting Act**, and **Business Loan Privacy Act**

With Grassroots

- Resource toolkit:
 - Sample social media posts
 - Talking points for meetings with members of Congress
 - Letters to members of congress via “Be Heard” grassroots action center
 - **Custom op-ed** that you can publish in your local paper
 - Customer **postcard designs** We are also playing the long game
- Groundwork for future revisions
 - Establishing data on how 1071 is hampering access to credit for small businesses, especially in rural areas.
- Surveying 600 small businesses

In the Courts

These legal battles (which include 1071 as well as other challenges against the Bureau) all hinge on the outcome of a case the Supreme Court recently heard – CFSA vs. CFPB.