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April 2, 2025

The Honorable Roger Williams
Chairman
United States House of Representatives
2336 Rayburn House Office Building
Washington, DC 20515

Re: ABA Letter of Support for H.R. 976, the 1071 Repeal to Protect Small Business Lending Act

Dear Chairman Williams:

The American Bankers Association (ABA)¹ writes today in support of H.R. 976, the 1071 Repeal to Protect Small Business Lending Act. Section 1071 of the Dodd-Frank Act, enacted by Congress in 2010, directs the Consumer Financial Protection Bureau (CFPB) to adopt regulations governing the collection of small business lending data. Section 1071 amended the Equal Credit Opportunity Act (ECOA) to require financial institutions to compile, maintain, and submit to the Bureau certain data on applications for credit for women-owned, minority-owned, and small businesses.

While ABA opposes lending discrimination in any form, the CFPB dramatically overstepped its statutory authority when implementing Section 1071. In Section 1071, Congress only mandated that lenders collect and report 13 data points from small business loan applicants. In writing the 1071 rule, however, the Bureau far exceeded Congress' statutory grant of authority by requiring lenders that originate at least 100 small business loans in each of the preceding two calendar years to collect 81 data fields on each lending application submitted by a business with gross annual revenue of \$5 million or less. Section 1071 requires the CFPB to make the data public, at the loan level, on an annual basis. The CFPB's flawed Section 1071 rule would harm small businesses across the country by limiting banks' ability to tailor loans, which will reduce access and increase the cost of credit for small businesses. The repeal of Section 1071 would preserve the robust availability of credit for small businesses across the country while protecting the privacy of small business loan applicants.

Thank you for your leadership on this important legislation.

Sincerely,

A handwritten signature in cursive script that reads 'Kirsten Sutton'.

Cc: Members of the House Financial Services Committee

¹ The American Bankers Association (ABA) is the voice of the nation's \$24.1 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$19.2 trillion in deposits and extend \$12.7 trillion in loans.