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July 28, 2025

The Honorable Katie Britt
United States Senate
Washington, D.C. 20510

The Honorable John Boozman
United States Senate
Washington, D.C. 20510

Dear Senators Britt and Boozman:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write to express our strong support for the PROTECTED Act (S. 2352), which would mitigate the adverse impact of the CFPB's rule under Dodd-Frank Section 1071 on America's small businesses and community banks.

As you know, the CFPB's 1071 rule requires community banks and other financial institutions to collect and report 81 pieces of data on every small business loan application, well beyond what is required by statute. Intrusive data collection will compromise the privacy of small business applicants, effectively "commoditize" small business lending, and increase the cost of credit.

S. 2352 would raise the loan-volume threshold and asset level at which financial institutions would be required to collect and report small business lending data. One of ICBA's primary objections to the 1071 rule is that it would exempt too few community banks and too few small businesses. Your bill would:

- Define a "financial institution" as one that has assets of \$10 billion or more and originates at least 2,500 covered credit transactions for small businesses in each of the two preceding calendar years. (The rule sets the threshold at 100 a year.)
- Define a "small business" as one with gross annual revenues of \$1 million or less in the most recently completed fiscal year. (The rule's gross revenue threshold is \$5 million or less.)
- Create an exemption for Community Development Financial Institutions (CDFIs). We believe this exemption is warranted given CDFIs' community development mission.

In addition, your bill would amend the collection and publication of applicant data to better protect applicants' privacy and ensure they understand that participation is voluntary.

The PROTECTED Act would provide community banks with significant relief and, in turn, would provide small businesses the credit they need to continue to grow. We ask that you also work to ensure parity among lenders. Banks, credit unions and Farm Credit System institutions should all be subject to comparable regulation and asset threshold exemptions under Section 1071 relief legislation.

Thank you again for introducing this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO