

July 2026

ICBA Legislative Update: Small Business Data Collection Requirements (Dodd-Frank Section 1071)

Overview: While the CFPB has issued a favorable final rule that would significantly narrow the coverage of Section 1071, an agency rule can potentially be reversed or revised by a subsequent administration with differing priorities. A statutory change enacted by Congress establishes a more durable and stable legal framework. Legislation is needed to repeal or further limit the scope of small business loan applicant data collection under Dodd-Frank Section 1071 and ensure that data collection doesn't hamper the ability of community banks to tailor loans to the unique needs of local businesses.

Legislation: ICBA supports the following House and Senate legislation:

The 1071 Repeal to Protect Small Business Lending Act (H.R. 976/S. 557), sponsored by Rep. Roger Williams (R-TX) and Sen. John Kennedy (R-LA) would fully repeal Section 1071.

The Small LENDER Act (H.R. 941), sponsored by House Financial Services Chairman French Hill (R-AR) would raise the loan-volume threshold at which financial institutions would be required to collect and report small business lending data and lower the revenue threshold for defining a "small business." These substantial reforms would result in most community banks being exempted from the onerous 1071 reporting requirements.

The PROTECTED Act (S. 2352), sponsored by Sens. Katie Britt (R-AL) and John Bozeman (R-AR) would define a "financial institution," subject to Section 1071, as one that originates more than 2,500 covered loans per year. Institutions with assets of less than \$10 billion would be exempt. The Act would define a "small business," loans to which are subject to Section 1071, as one with gross annual revenues of \$1 million or less. Community Development Financial Institutions (CDFIs) would be exempt from the requirements of Section 1071. These changes would also exempt the vast majority of community banks from 1071 reporting requirements.

(For information on cosponsors of the above bills, see this [link](#).)

Key Talking Points

- Community banks specialize in offering customized loans suited to the unique needs of local businesses. Data collection and reporting creates regulatory bias against customized loan terms, effectively flagging for scrutiny loans with non-standardized terms.

- As a result, Section 1071 will “commoditize” small business lending with standardized loan terms that are poorly suited to many borrowers.
- Bank examiners apply Fair Lending laws to ensure against discrimination. Section 1071 is simply the wrong tool for the job.
- Intrusive data collection under Section 1071 will compromise the financial privacy of small business applicants, especially in smaller communities where the identity of credit applicants may be inferred from published data.
- Section 1071 data collection is a costly bureaucratic mandate that will increase the cost of credit.
- Support legislation to repeal Section 1071 or limit its scope. These bills promote small business credit and community bank regulatory relief.