One Mission. Community Banks.

July 2026

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

<u>Topic/Issue</u>: Section 1071

<u>Agency</u>: CFPB

<u>Status</u>: In May 2026, the CFPB finalized significant changes to its 2023 rule issued under the Chopra-led CFPB. Among other changes, the rule (1) reduces the number of covered banks, from those that originate 100 or more small business loans to those that originate 1,000 or more, (2) reduced the number of datapoints to primarily only those required by statute, as opposed to the dozens of discretionary datapoints required under the 2023 rule, and (3) excludes farm and ag loans from coverage, which were originally included in the loan threshold calculation.

<u>ICBA Position</u>: ICBA commends the administration for heeding community banker concerns with the CFPB's 1071 rule and making needed improvements to help mitigate the negative impact of the intrusive and overly burdensome data collection and reporting requirements for small-business loans.

For instance, provisions exempting institutions that originate fewer than 1,000 covered small-business loans per year, defining small businesses as having gross annual revenues of $1 million or less, and exempting agricultural loans align with ICBA's repeated calls for policymakers to exempt community banks from the data collection requirements.

Nevertheless, ICBA continues to strongly oppose a full exemption for Farm Credit System entities without advancing a similar full exemption for all community banks under $10 billion in assets to avoid degrading the ability of community banks to meet the needs of small businesses.

<u>Key Talking Points</u>:

- Exempting community banks that originate fewer than 1,000 small business loans benefits the vast majority of community banks. Nearly all banks under $10 billion in assets are exempt, excluding approximately 15 banks that conduct significant small business lending activity.
- Categorically exempting Farm Credit System lenders, regardless of asset size, provides disproportionate benefits to some of the largest financial institutions in the country.
- ICBA continues our calls for Congress to advance legislation to address the 1071 statute.
- The ICBA-supported **1071 Repeal to Protect Small Business Lending Act (H.R. 976/S. 557**), introduced by House Small Business Committee Chairman Roger Williams (R-Texas) and Senate Banking Committee member John Kennedy (R-La.), would repeal the statute

that underlies the CFPB rule.

- Additionally, the ICBA-backed **Small LENDER Act (H.R. 941)**, introduced by House Financial Services Committee Chairman French Hill (R-Ark.) and recently advanced by the committee, and the **PROTECTED Act (S. 2352)** from Sens. Katie Britt (R-Ala.) and John Boozman (R-Ark.) would provide durable relief from the adverse impact of the rule on small businesses and community banks