

# 1071 REPEAL TO PROTECT SMALL BUSINESS LENDING ACT

MAY 6, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services,  
submitted the following

## R E P O R T

together with

## MINORITY VIEWS

[To accompany H.R. 976]

The Committee on Financial Services, to whom was referred the bill (H.R. 976) to repeal the small business loan data collection requirements under the Equal Credit Opportunity Act, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “1071 Repeal to Protect Small Business Lending Act”.

**SEC. 2. FINDINGS.**

Congress finds the following:

(1) Section 704B of the Equal Credit Opportunity Act, as added by section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, imposes data collection and reporting requirements on financial institutions regarding small business loans.

(2) These requirements have resulted in increased compliance costs for financial institutions, potentially reducing access to credit for small businesses.

(3) The regulatory burdens created by these requirements disproportionately impact smaller financial institutions, such as community banks and credit unions, which are critical to small business lending.

(4) Repealing these requirements will reduce regulatory barriers and support greater access to credit for small businesses.

**SEC. 3. REPEAL OF THE SMALL BUSINESS LOAN DATA COLLECTION REQUIREMENTS.**

(a) IN GENERAL.—Section 704B of the Equal Credit Opportunity Act (15 U.S.C. 1691c–2) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT AMENDMENTS.—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended—

(A) in the table of contents in section 1(b) of such Act, by striking the item relating to section 1071; and

(B) by striking section 1071.

(2) EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS.—The Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.) is amended—

(A) in the table of contents for such Act, by striking the item relating to section 704B; and

(B) in section 701(b)—

(i) in paragraph (3), by adding “or” at the end;

(ii) in paragraph (4), by striking “; or” and inserting a period; and

(iii) by striking paragraph (5).

**PURPOSE AND SUMMARY**

Introduced on February 4, 2025, by Representative Williams, H.R. 976, the *1071 Repeal to Protect Small Business Lending Act*, would repeal Section 1071 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* that mandates the collection and reporting of demographic data on small business loan applicants.

**BACKGROUND AND NEED FOR LEGISLATION**

*Dodd-Frank* Section 1071 amended the *Equal Credit Opportunity Act* to require financial institutions to collect and report specific data about small business credit applications, including whether the applicant is a women-owned or minority-owned business. The provision was described as promoting transparency in small business lending and ensuring that businesses, particularly those owned by minorities and women, have equal access to credit. However, the broad mandate in Section 1071 has led to concerns from lenders of all sizes about their ability to continue providing access to small business credit at all.

Under the law, the Consumer Financial Protection Bureau (CFPB) was given the authority to collect and analyze this data. Section 1071 allows the CFPB to request “any additional data that the Bureau determines would aid in fulfilling the purposes of this

section,”<sup>1</sup> granting the agency considerable discretion to expand data collection beyond the original scope. This opens the door for the agency to impose diversity, equity, and inclusion (DEI) measures on lenders, who could face enforcement actions for noncompliance. Further, Section 1071 requires that this data be made public, raising significant privacy concerns, especially without strong data protections in place.

The broad data collection mandate will create significant burdens for small community lenders, leading to higher administrative and compliance costs and a reduction in available credit for Main Street businesses. The highly customized nature of small business lending means that aggregated data is often meaningless without proper context, further diminishing its value and increasing its opportunity to be abused by groups seeking to “name and shame” lenders. As demonstrated by former CFPB Director Chopra’s finalized Small Business Lending Rule, the CFPB leadership can exploit this expansive authority to push a broader political agenda, to the detriment of small businesses and lenders trying to support local economies.<sup>2</sup>

Shortly after the rule was finalized, the Texas Bankers Association filed a lawsuit against the CFPB, arguing that the CFPB exceeded its authority and acted in a manner that is arbitrary and capricious. In March 2025, a Fifth Circuit panel granted a stay on the rule’s implementation pending the outcome of the appeal.<sup>3</sup>

#### COMMITTEE CONSIDERATION

##### 119TH CONGRESS

On February 4, 2025, Representative Roger Williams (R-TX) introduced H.R. 976, the *1071 Repeal to Protect Small Business Lending Act*, with Representatives Bill Huizenga (R-MI), Mike Flood (R-NE), Dan Meuser (R-PA), Ann Wagner (R-MO), Monica De La Cruz (R-TX), Zach Nunn (R-IA), Troy Downing (R-MT), Byron Donalds (R-FL), Mike Haridopolos (R-FL), Frank Lucas (R-OK), Andrew Garbarino (R-NY), Brad Finstad (R-MN), Tim Moore (R-NC), Andy Barr (R-KY), Mike Collins (R-GA), Warren Davidson (R-OH), David Kustoff (R-TN), Jack Bergman (R-MI), Claudia Tenney (R-NY), Ralph Norman (R-SC), Andy Ogles (R-TN), Mike Ezell (R-MS), Rudy Yakym (R-IN), Ronny Jackson (R-TX), Glenn Grothman (R-WI), Barry Loudermilk (R-GA), Brandon Gill (R-TX), Dave Taylor (R-OH), and Beth Van Duyne (R-TX) as original cosponsors. Representatives Harriet Hageman (R-WY), Greg Murphy, M.D. (R-NC), Sam Graves (R-MO), Michael Guest (R-MS), Pete Sessions (R-TX), Derek Schmidt (R-KS), Scott Fitzgerald (R-WI), Gary Palmer (R-AL), Marlin Stutzman (R-IN), Trent Kelly (R-MS), Dusty Johnson (R-SD), Tracey Mann (R-KS), Adrian Smith (R-NE), Michael Cloud (R-TX), Craig Goldman (R-TX), John Carter (R-TX), Keith Self (R-TX), Mike Lawler (R-NY), John Rose (R-TN), Mariannette Miller-Meeks (R-IA), Jeff Van Drew (R-NJ), Mark Alford (R-MO), and Tony Wied (R-WI) were added sub-

<sup>1</sup> 15 U.S.C. § 1691c-2.

<sup>2</sup> CFPB, “Final Rule: Small Business Lending under the Equal Credit Opportunity Act (Regulation B),” (Mar. 30, 2023). <https://www.consumerfinance.gov/rules-policy/final-rules/small-business-lending-under-the-equal-credit-opportunity-act-regulation-b/>.

<sup>3</sup> Order, Texas Bankers Association et al. v. Consumer Fin. Prot. Bureau No. 24-40705 (5th Circuit 2025).

sequently as cosponsors. The bill was referred solely to the Committee on Financial Services.

#### RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 976:

The Full Committee held a hearing on February 5, 2025, titled “Make Community Banking Great Again.” A discussion draft version of the bill was considered in this hearing. The following witnesses testified: Cathy Owen, Executive Chairman, Eagle Bank & Trust Company, Little Rock, AR; Susannah Marshall, Bank Commissioner, Arkansas State Bank Department, Little Rock, AR; Rebecca Romero Rainey, President & CEO, Independent Community Bankers of America, Washington, D.C.; Patrick J. Kennedy Jr., Founding Partner, Kennedy Sutherland, LLP, San Antonio, TX; Mitria Spotser, Vice President, Federal Policy, Center for Responsible Lending, Washington, D.C.

The Committee on Financial Services met in open session on April 2, 2025, to consider, among others, H.R. 976.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On April 2, 2025, H.R. 976, as amended, was ordered to be reported favorably to the House by a recorded vote of 27 yeas and 22 nays, a quorum being present. (Record Vote No. FC-061).

The Committee considered the following amendments to H.R. 976:

- Representative Williams (R-TX) offered an amendment in the nature of a substitute, which made minor edits and technical changes. The amendment was adopted by a voice vote.
- Representative Nydia Velazquez (D-NY) offered an amendment (No. 37) that would delay the implementation of the bill until the CFPB Director certifies that small business lending has become more transparent; large lenders are providing small businesses disclosures similar to consumer loans; and no lenders include confessions of judgement as a small business loan requirement. This amendment creates new authority for the CFPB over small business lending. The amendment was defeated in a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC-060).

## Committee on Financial Services

## Markup 2

April 2, 2025

Bill H.R. 976

Motion to adopt the amendment

Measure Velazquez 1 to ANS to H.R. 976

Record Vote No.

FC-060

Disposition

NOT AGREED TO (22-27)

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	27	3		22	0	2

Committee Totals:

22	27	5
Yeas	Nays	Not Voting

## Committee on Financial Services

## Markup 2

April 2, 2025

Bill H.R. 976

Motion to report favorably

Measure H.R. 976 (as amended)

Record Vote No.

FC-061

Disposition

AGREED TO (27-22)

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters		X	
Mr. Lucas	X			Ms. Velázquez		X	
Mr. Sessions	X			Mr. Sherman		X	
Mr. Huizenga	X			Mr. Meeks		X	
Mrs. Wagner	X			Mr. Scott		X	
Mr. Barr	X			Mr. Lynch		X	
Mr. Williams (TX)	X			Mr. Green (TX)		X	
Mr. Emmer	X			Mr. Cleaver			X
Mr. Loudermilk	X			Mr. Himes		X	
Mr. Davidson	X			Mr. Foster		X	
Mr. Rose	X			Mrs. Beatty		X	
Mr. Steil	X			Mr. Vargas		X	
Mr. Timmons	X			Mr. Gottheimer		X	
Mr. Stutzman	X			Mr. Gonzalez		X	
Mr. Norman			X	Mr. Casten		X	
Mr. Meuser	X			Ms. Pressley		X	
Mrs. Kim	X			Ms. Tlaib		X	
Mr. Donalds			X	Mr. Torres (NY)		X	
Mr. Garbarino	X			Ms. Garcia (TX)		X	
Mr. Fitzgerald	X			Ms. Williams of GA		X	
Mr. Flood	X			Ms. Pettersen			X
Mr. Lawler	X			Mr. Fields		X	
Ms. De La Cruz	X			Ms. Bynum		X	
Mr. Ogles			X	Mr. Liccardo		X	
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	27	0	3		0	22	2

Committee Totals:

27	22	5
Yeas	Nays	Not Voting

#### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

#### PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 976 is to repeal Section 1071 of the *Dodd-Frank Act* to mandate the collection and reporting of demographic data on small business loan applicants.

#### COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 976. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of House rule XIII, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

#### NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

#### UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Committee will adopt the estimate once it has been prepared by the Director.

#### EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

#### FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

#### APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

#### DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

Section 1 provides the short title is the “*1071 Repeal to Protect Small Business Lending Act*.”

##### *Section 2. Findings*

Section 2 sets forth the following findings:

- Section 704B of the *Equal Credit Opportunity Act*, as added by section 1071 of the *Dodd Frank Act*, imposes data collection and reporting requirements on financial institutions regarding small business loans;
- These requirements have resulted in increased compliance costs for financial institutions, potentially reducing access to credit for small businesses;
- The regulatory burdens created by these requirements disproportionately impact smaller financial institutions, such as community banks and credit unions, which are critical to small business lending; and
- Repealing these requirements will reduce regulatory barriers and support greater access to credit for small businesses.

##### *Section 3. Repeal of the small business loan data collection requirements*

Section 3 repeals section 1071 of the *Dodd Frank Act*.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):



## EQUAL CREDIT OPPORTUNITY ACT

### TITLE VII—EQUAL CREDIT OPPORTUNITY

Sec.

\* \* \* \* \*

【704B. Small business loan data collection.】

\* \* \* \* \*

#### § 701. Prohibited discrimination; reasons for adverse action

(a) It shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction—

(1) on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract);

(2) because all or part of the applicant's income derives from any public assistance program; or

(3) because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

(b) It shall not constitute discrimination for purposes of this title for a creditor—

(1) to make an inquiry of marital status if such inquiry is for the purpose of ascertaining the creditor's rights and remedies applicable to the particular extension of credit and not to discriminate in a determination of credit-worthiness;

(2) to make an inquiry of the applicant's age or of whether the applicant's income derives from any public assistance program if such inquiry is for the purpose of determining the amount and probable continuance of income levels, credit history, or other pertinent element of credit-worthiness as provided in regulations of the Board;

(3) to use any empirically derived credit system which considers age if such system is demonstrably and statistically sound in accordance with regulations of the Bureau, except that in the operation of such system the age of an elderly applicant may not be assigned a negative factor or value; or

(4) to make an inquiry or to consider the age of an elderly applicant when the age of such applicant is to be used by the creditor in the extension of credit in favor of such applicant【; or】.

【(5) to make an inquiry under section 704B, in accordance with the requirements of that section.】

(c) It is not a violation of this section for a creditor to refuse to extend credit offered pursuant to—

(1) any credit assistance program expressly authorized by law for an economically disadvantaged class of persons;

(2) any credit assistance program administered by a non-profit organization for its members or an economically disadvantaged class of persons; or

(3) any special purpose credit program offered by a profit-making organization to meet special social needs which meets standards prescribed in regulations by the Board;

if such refusal is required by or made pursuant to such program.

(d)(1) Within thirty days (or such longer reasonable time as specified in regulations of the Bureau for any class of credit transaction) after receipt of a completed application for credit, a creditor shall notify the applicant of its action on the application.

(2) Each applicant against whom adverse action is taken shall be entitled to a statement of reasons for such action from the creditor. A creditor satisfies this obligation by—

(A) providing statements of reasons in writing as a matter of course to applicants against whom adverse action is taken; or

(B) giving written notification of adverse action which discloses (i) the applicant's right to a statement of reasons within thirty days after receipt by the creditor of a request made within sixty days after such notification, and (ii) the identity of the person or office from which such statement may be obtained. Such statement may be given orally, if the written notification advises the applicant of his right to have the statement of reasons confirmed in writing on written request.

(3) A statement of reasons meets the requirements of this section only if it contains the specific reasons for the adverse action taken.

(4) Where a creditor has been requested by a third party to make a specific extension of credit directly or indirectly to an applicant, the notification and statement of reasons required by this subsection may be made directly by such creditor, or indirectly through the third party, provided in either case that the identity of the creditor is disclosed.

(5) The requirements of paragraphs (2), (3), or (4) may be satisfied by verbal statements or notifications in the case of any creditor who did not act on more than one hundred and fifty applications during the calendar year preceding the calendar year in which the adverse action is taken, as determined under regulations of the Board.

(6) For purposes of this subsection, the term "adverse action" means a denial or revocation of credit, a change in the terms of an existing credit arrangement, or a refusal to grant credit in substantially the amount or on substantially the terms requested. Such term does not include a refusal to extend additional credit under an existing credit arrangement where the applicant is delinquent or otherwise in default, or where such additional credit would exceed a previously established credit limit.

(e) COPIES FURNISHED TO APPLICANTS.—

(1) IN GENERAL.—Each creditor shall furnish to an applicant a copy of any and all written appraisals and valuations developed in connection with the applicant's application for a loan that is secured or would have been secured by a first lien on a dwelling promptly upon completion, but in no case later than 3 days prior to the closing of the loan, whether the creditor grants or denies the applicant's request for credit or the application is incomplete or withdrawn.

(2) WAIVER.—The applicant may waive the 3 day requirement provided for in paragraph (1), except where otherwise required in law.

(3) REIMBURSEMENT.—The applicant may be required to pay a reasonable fee to reimburse the creditor for the cost of the appraisal, except where otherwise required in law.

(4) **FREE COPY.**—Notwithstanding paragraph (3), the creditor shall provide a copy of each written appraisal or valuation at no additional cost to the applicant.

(5) **NOTIFICATION TO APPLICANTS.**—At the time of application, the creditor shall notify an applicant in writing of the right to receive a copy of each written appraisal and valuation under this subsection.

(6) **VALUATION DEFINED.**—For purposes of this subsection, the term “valuation” shall include any estimate of the value of a dwelling developed in connection with a creditor’s decision to provide credit, including those values developed pursuant to a policy of a government sponsored enterprise or by an automated valuation model, a broker price opinion, or other methodology or mechanism.

\* \* \* \* \*

**[SEC. 704B. SMALL BUSINESS LOAN DATA COLLECTION.**

**[(a) PURPOSE.**—The purpose of this section is to facilitate enforcement of fair lending laws and enable communities, governmental entities, and creditors to identify business and community development needs and opportunities of women-owned, minority-owned, and small businesses.

**[(b) INFORMATION GATHERING.**—Subject to the requirements of this section, in the case of any application to a financial institution for credit for women-owned, minority-owned, or small business, the financial institution shall—

**[(1)** inquire whether the business is a women-owned, minority-owned, or small business, without regard to whether such application is received in person, by mail, by telephone, by electronic mail or other form of electronic transmission, or by any other means, and whether or not such application is in response to a solicitation by the financial institution; and

**[(2)** maintain a record of the responses to such inquiry, separate from the application and accompanying information.

**[(c) RIGHT TO REFUSE.**—Any applicant for credit may refuse to provide any information requested pursuant to subsection (b) in connection with any application for credit.

**[(d) NO ACCESS BY UNDERWRITERS.**—

**[(1) LIMITATION.**—Where feasible, no loan underwriter or other officer or employee of a financial institution, or any affiliate of a financial institution, involved in making any determination concerning an application for credit shall have access to any information provided by the applicant pursuant to a request under subsection (b) in connection with such application.

**[(2) LIMITED ACCESS.**—If a financial institution determines that a loan underwriter or other officer or employee of a financial institution, or any affiliate of a financial institution, involved in making any determination concerning an application for credit should have access to any information provided by the applicant pursuant to a request under subsection (b), the financial institution shall provide notice to the applicant of the access of the underwriter to such information, along with notice that the financial institution may not discriminate on the basis of such information.

**[(e) FORM AND MANNER OF INFORMATION.**—

[(1) IN GENERAL.—Each financial institution shall compile and maintain, in accordance with regulations of the Bureau, a record of the information provided by any loan applicant pursuant to a request under subsection (b).

[(2) ITEMIZATION.—Information compiled and maintained under paragraph (1) shall be itemized in order to clearly and conspicuously disclose—

[(A) the number of the application and the date on which the application was received;

[(B) the type and purpose of the loan or other credit being applied for;

[(C) the amount of the credit or credit limit applied for, and the amount of the credit transaction or the credit limit approved for such applicant;

[(D) the type of action taken with respect to such application, and the date of such action;

[(E) the census tract in which is located the principal place of business of the women-owned, minority-owned, or small business loan applicant;

[(F) the gross annual revenue of the business in the last fiscal year of the women-owned, minority-owned, or small business loan applicant preceding the date of the application;

[(G) the race, sex, and ethnicity of the principal owners of the business; and

[(H) any additional data that the Bureau determines would aid in fulfilling the purposes of this section.

[(3) NO PERSONALLY IDENTIFIABLE INFORMATION.—In compiling and maintaining any record of information under this section, a financial institution may not include in such record the name, specific address (other than the census tract required under paragraph (1)(E)), telephone number, electronic mail address, or any other personally identifiable information concerning any individual who is, or is connected with, the women-owned, minority-owned, or small business loan applicant.

[(4) DISCRETION TO DELETE OR MODIFY PUBLICLY AVAILABLE DATA.—The Bureau may, at its discretion, delete or modify data collected under this section which is or will be available to the public, if the Bureau determines that the deletion or modification of the data would advance a privacy interest.

[(f) AVAILABILITY OF INFORMATION.—

[(1) SUBMISSION TO BUREAU.—The data required to be compiled and maintained under this section by any financial institution shall be submitted annually to the Bureau.

[(2) AVAILABILITY OF INFORMATION.—Information compiled and maintained under this section shall be—

[(A) retained for not less than 3 years after the date of preparation;

[(B) made available to any member of the public, upon request, in the form required under regulations prescribed by the Bureau;

[(C) annually made available to the public generally by the Bureau, in such form and in such manner as is determined by the Bureau, by regulation.

[(3) COMPILATION OF AGGREGATE DATA.—The Bureau may, at its discretion—

[(A) compile and aggregate data collected under this section for its own use; and

[(B) make public such compilations of aggregate data.

[(g) BUREAU ACTION.—

[(1) IN GENERAL.—The Bureau shall prescribe such rules and issue such guidance as may be necessary to carry out, enforce, and compile data pursuant to this section.

[(2) EXCEPTIONS.—The Bureau, by rule or order, may adopt exceptions to any requirement of this section and may, conditionally or unconditionally, exempt any financial institution or class of financial institutions from the requirements of this section, as the Bureau deems necessary or appropriate to carry out the purposes of this section.

[(3) GUIDANCE.—The Bureau shall issue guidance designed to facilitate compliance with the requirements of this section, including assisting financial institutions in working with applicants to determine whether the applicants are women-owned, minority-owned, or small businesses for purposes of this section.

[(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

[(1) FINANCIAL INSTITUTION.—The term “financial institution” means any partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity that engages in any financial activity.

[(2) SMALL BUSINESS.—The term “small business” has the same meaning as the term “small business concern” in section 3 of the Small Business Act (15 U.S.C. 632).

[(3) SMALL BUSINESS LOAN.—The term “small business loan” means a loan made to a small business.

[(4) MINORITY.—The term “minority” has the same meaning as in section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

[(5) MINORITY-OWNED BUSINESS.—The term “minority-owned business” means a business—

[(A) more than 50 percent of the ownership or control of which is held by 1 or more minority individuals; and

[(B) more than 50 percent of the net profit or loss of which accrues to 1 or more minority individuals.

[(6) WOMEN-OWNED BUSINESS.—The term “women-owned business” means a business—

[(A) more than 50 percent of the ownership or control of which is held by 1 or more women; and

[(B) more than 50 percent of the net profit or loss of which accrues to 1 or more women.]

\* \* \* \* \*

## **DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT**

### **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Dodd-Frank Wall Street Reform and Consumer Protection Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

\* \* \* \* \*

### **TITLE X—BUREAU OF CONSUMER FINANCIAL PROTECTION**

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#### **Subtitle G—Regulatory Improvements**

**[Sec. 1071. Small business data collection.]**

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## **TITLE X—BUREAU OF CONSUMER FINANCIAL PROTECTION**

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### **Subtitle G—Regulatory Improvements**

#### **[SEC. 1071. SMALL BUSINESS DATA COLLECTION.**

**[(a) IN GENERAL.**—The Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.) is amended by inserting after section 704A the following:

#### **[(“SEC. 704B. SMALL BUSINESS LOAN DATA COLLECTION.**

**[(a) PURPOSE.**—The purpose of this section is to facilitate enforcement of fair lending laws and enable communities, governmental entities, and creditors to identify business and community development needs and opportunities of women-owned, minority-owned, and small businesses.

**[(b) INFORMATION GATHERING.**—Subject to the requirements of this section, in the case of any application to a financial institution for credit for women-owned, minority-owned, or small business, the financial institution shall—

**[(1)** inquire whether the business is a women-owned, minority-owned, or small business, without regard to whether such application is received in person, by mail, by telephone, by electronic mail or other form of electronic transmission, or by any other means, and whether or not such application is in response to a solicitation by the financial institution; and

**[(2)** maintain a record of the responses to such inquiry, separate from the application and accompanying information.

**[(c) RIGHT TO REFUSE.**—Any applicant for credit may refuse to provide any information requested pursuant to subsection (b) in connection with any application for credit.

**[(d) NO ACCESS BY UNDERWRITERS.**—

**[(1) LIMITATION.**—Where feasible, no loan underwriter or other officer or employee of a financial institution, or any affil-

iate of a financial institution, involved in making any determination concerning an application for credit shall have access to any information provided by the applicant pursuant to a request under subsection (b) in connection with such application.

【“(2) LIMITED ACCESS.—If a financial institution determines that a loan underwriter or other officer or employee of a financial institution, or any affiliate of a financial institution, involved in making any determination concerning an application for credit should have access to any information provided by the applicant pursuant to a request under subsection (b), the financial institution shall provide notice to the applicant of the access of the underwriter to such information, along with notice that the financial institution may not discriminate on the basis of such information.

【“(e) FORM AND MANNER OF INFORMATION.—

【“(1) IN GENERAL.—Each financial institution shall compile and maintain, in accordance with regulations of the Bureau, a record of the information provided by any loan applicant pursuant to a request under subsection (b).

【“(2) ITEMIZATION.—Information compiled and maintained under paragraph (1) shall be itemized in order to clearly and conspicuously disclose—

【“(A) the number of the application and the date on which the application was received;

【“(B) the type and purpose of the loan or other credit being applied for;

【“(C) the amount of the credit or credit limit applied for, and the amount of the credit transaction or the credit limit approved for such applicant;

【“(D) the type of action taken with respect to such application, and the date of such action;

【“(E) the census tract in which is located the principal place of business of the women-owned, minority-owned, or small business loan applicant;

【“(F) the gross annual revenue of the business in the last fiscal year of the women-owned, minority-owned, or small business loan applicant preceding the date of the application;

【“(G) the race, sex, and ethnicity of the principal owners of the business; and

【“(H) any additional data that the Bureau determines would aid in fulfilling the purposes of this section.

【“(3) NO PERSONALLY IDENTIFIABLE INFORMATION.—In compiling and maintaining any record of information under this section, a financial institution may not include in such record the name, specific address (other than the census tract required under paragraph (1)(E)), telephone number, electronic mail address, or any other personally identifiable information concerning any individual who is, or is connected with, the women-owned, minority-owned, or small business loan applicant.

【“(4) DISCRETION TO DELETE OR MODIFY PUBLICLY AVAILABLE DATA.—The Bureau may, at its discretion, delete or modify data collected under this section which is or will be available

to the public, if the Bureau determines that the deletion or modification of the data would advance a privacy interest.

[(f) AVAILABILITY OF INFORMATION.—

[(1) SUBMISSION TO BUREAU.—The data required to be compiled and maintained under this section by any financial institution shall be submitted annually to the Bureau.

[(2) AVAILABILITY OF INFORMATION.—Information compiled and maintained under this section shall be—

[(A) retained for not less than 3 years after the date of preparation;

[(B) made available to any member of the public, upon request, in the form required under regulations prescribed by the Bureau;

[(C) annually made available to the public generally by the Bureau, in such form and in such manner as is determined by the Bureau, by regulation.

[(3) COMPILATION OF AGGREGATE DATA.—The Bureau may, at its discretion—

[(A) compile and aggregate data collected under this section for its own use; and

[(B) make public such compilations of aggregate data.

[(g) BUREAU ACTION.—

[(1) IN GENERAL.—The Bureau shall prescribe such rules and issue such guidance as may be necessary to carry out, enforce, and compile data pursuant to this section.

[(2) EXCEPTIONS.—The Bureau, by rule or order, may adopt exceptions to any requirement of this section and may, conditionally or unconditionally, exempt any financial institution or class of financial institutions from the requirements of this section, as the Bureau deems necessary or appropriate to carry out the purposes of this section.

[(3) GUIDANCE.—The Bureau shall issue guidance designed to facilitate compliance with the requirements of this section, including assisting financial institutions in working with applicants to determine whether the applicants are women-owned, minority-owned, or small businesses for purposes of this section.

[(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

[(1) FINANCIAL INSTITUTION.—The term ‘financial institution’ means any partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity that engages in any financial activity.

[(2) SMALL BUSINESS.—The term ‘small business’ has the same meaning as the term ‘small business concern’ in section 3 of the Small Business Act (15 U.S.C. 632).

[(3) SMALL BUSINESS LOAN.—The term ‘small business loan’ means a loan made to a small business.

[(4) MINORITY.—The term ‘minority’ has the same meaning as in section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

[(5) MINORITY-OWNED BUSINESS.—The term ‘minority-owned business’ means a business—



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## MINORITY VIEWS

H.R. 976 would repeal Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). This provision requires lenders to collect and report small business lending data to the Consumer Financial Protection Bureau (CFPB), similar to how lenders have collected and reported mortgage loan data for decades under the Home Mortgage Disclosure Act (HMDA). This approach promotes transparency in a manner that would help reduce lending costs, expand credit availability, and prevent discrimination for entrepreneurs across the country. The CFPB issued a final rule in 2023 implementing Section 1071 pursuant to a court-supervised settlement, and exempted community financial institutions that provide little to no small business loans. Republicans passed a Congressional Review Act resolution that would have rescinded CFPB's rule, however President Biden vetoed the measure.

In March 2023, the CFPB finalized a rule implementing Section 1071 of Dodd-Frank,<sup>1</sup> aimed at increasing transparency in small business lending, promoting competition among lenders that would drive down costs for borrowers, and providing new lending opportunities for small businesses, especially women-owned, LGBTQ-owned businesses and businesses owned by people of color. CFPB's Section 1071 rule requires lenders to collect and report information about the small business credit applications they receive, including geographic and demographic data (that's self-reported by business owners on a voluntary basis), lending decisions, and the price of credit. The rule would work in tandem with the Community Reinvestment Act, which requires certain financial institutions to meet the needs of the communities they serve. The increased transparency will benefit small businesses, family farms, financial institutions, and the broader economy.

Arguably, had CFPB's Section 1071 rulemaking been in place before the pandemic, policymakers would have been able to not only design relief programs that were better targeted, but also to better monitor which small businesses were receiving support and which were left out of programs like the Paycheck Protection Program (PPP). Industry studies also affirm how important fair lending rules are to the nation's economic vitality. For instance, one Citigroup study estimates that fair access to lending for Black-owned small businesses alone would have resulted in \$650 billion in additional business revenue per year, as well as created an additional 6.1 million jobs per year.<sup>2</sup> Moreover, the CFPB conducted a pilot study in 2024 where they found that Black-owned small businesses received disparate treatment compared to White-owned

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<sup>1</sup>CFPB, *Small business lending rulemaking* (Accessed June 8, 2023).

<sup>2</sup>Citigroup, *Closing the Racial Inequality Gaps: The Economic Cost of Black Inequality in the U.S.* (Sep. 2020).

small businesses by the same bank, finding that Black participants received less encouragement to apply for a loan and were more likely to be steered into alternative credit products, like a home equity credit product where the owner's personal residence would be at risk if they default on the loan.<sup>3</sup>

Since its finalization, Section 1071 has come under attack both in district courts and Congress. In May 2023, plaintiffs filed a lawsuit in a Texas federal district court challenging the validity of the rule and a motion seeking a preliminary injunction.<sup>4</sup> However, community lenders<sup>5</sup> and small business advocates alike have underlined the importance of CFPB's small lending rules in creating a more transparent and fairer marketplace for lenders and small businesses. It is also likely that rules shining a light on small business lending will likely result in increased lending to underserved businesses, including farms, as was observed in the implementation of similar sunshine statutes like HMDA. In fact, changes to HMDA data in 1990 and 1993 corresponded with a 70% increase in conventional home purchase lending to Black borrowers, and a 48% increase in lending to Latinx borrowers, from 1993 to 1995.<sup>6</sup>

Rep. Nydia Velázquez, Ranking Member of the House Small Business Committee, offered an amendment that would stipulate the bill only takes effect after the CFPB Director certifies that the small business lending market is competitive, transparent, and fair, and that small business lenders are providing Truth In Lending Act (TILA) type disclosures to prospective borrowers, and that lenders are not burying predatory confessions of judgement provisions in small business loan contracts. Republicans rejected the amendment in a party-line vote.

More than 150 civil rights, consumer, small business, lending, religious, and community organizations have strongly opposed efforts, like H.R. 976, to repeal and undermine Section 1071 of Dodd-Frank.<sup>7</sup> This includes National Community Reinvestment Coalition, 20/20 Vision, Access Plus Capital, Accountable.US, African American Alliance of CDFI CEOs, Alliance 85, Inc., American Economic Liberties Project, Americans for Financial Reform, Anacostia Economic Development Corporation, ANHD—The, Association for Neighborhood & Housing Development, Avenue CDC, BBIF, Inc., Birmingham Business Resource Center, Bridgeport Neighborhood Trust, Brotherhood and Sisterhood International, Building Alabama Reinvestment, CAARMA, California Capital, Financial Development Corporation, California Community Economic Development Association, CAMEO—California Association for Micro Enterprise Opportunity, Camino Financial, Inc., CASA of Oregon, Cash Community Development Organization, Catapult Pittsburgh, Catholic Charities USA, CDC Small Business Finance, Ceiba, Center for Re-

<sup>3</sup>CFPB, *CFPB Pilot Study Finds Differential Treatment in Small Business Lending Markets* (Nov. 13, 2024).

<sup>4</sup>John L. Culhane, Jr., Richard J. Andreano, Jr. & Michael Gordon, *Plaintiffs challenging Section 1071 final rule seek preliminary injunction; Ballard Spahr to hold June 15 webinar*, Ballard Spahr (accessed Jun. 8, 2023).

<sup>5</sup>Acción Opportunity Fund, *CEO Luz Urrutia's Congressional Testimony on Lending Transparency* (Mar. 2023).

<sup>6</sup>NCRC, *Home Loans to Minorities and Low- and Moderate-Income Borrowers Increase in the 1990s, but then Fall in 2001: A Review of National Data Trends from 1993 to 2001* (Apr. 2023).

<sup>7</sup>LCCHR, *Leadership Conference Opposes Bills to Undermine Small Business and Civil Rights Data Law* (Feb. 4, 2025); and NCRC, *Support for the CFPB's Final Rule Related to Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act* (Jul. 25, 2023).

sponsible Lending, Centre for Homeownership & Economic Development Corporation, Centro Cultural, Chicago Community Loan Fund, CHWC Inc., City of Gary, IN, City of Tampa, CLARIFI, Coalition for Non Profit Housing and Economic Development, Coastal Enterprises, Inc., Community Enterprise Investments, Inc., Community Growth Fund, Community Housing Development Corporation, Community Link, Community Reinvestment Alliance of South Florida, Consumer Action, Consumer Federation of America, Delaware Community Reinvestment Action Council, Inc., Demand Progress, Divine Direction, Economic Action Maryland, Economic Growth Corporation, Empire Justice Center, ExploreUSTV and Travel, Fair Finance Watch, Fair Housing Center of Metropolitan Detroit, Fair Housing Center of Southwest Michigan, Famicos Foundation, Family Resources of New Orleans, FHCNA, First Community Capital, Frayser Community Development Corporation, Gen-Wealth Empowerment, Georgia Advancing Communities Together, Inc., Greater Cincinnati Microenterprise Initiative, Habitat For Humanity of Michigan, Hawai'i Alliance for Community-Based Economic Development, HEAL Food Alliance, Henderson and Company, Home Ownership Center of Greater Cincinnati, Homes on the Hill, CDC, Housing and Education Alliance, Inc. (HEA), Housing, Education and Economic Development, Housing Justice Center, Housing Options & Planning Enterprises, Inc., HousingWorks RI, I Give Back USA, IGNITE! Alabama, Interfaith Center on Corporate Responsibility, Jewish Community Action, JOVIS, Latino Economic Development Center, Latino Leadership Council, Latino Policy Council, Legacy Foundation, Legal Aid Society of San Diego, LINC UP Nonprofit Housing Corporation, Local First Arizona, Local Initiatives Support Corporation (LISC), Logan Heights Community Development Corporation, Main Street Alliance, Massachusetts Action for Justice, Massachusetts Affordable Housing Alliance, Memorial CDC, Metro Milwaukee Fair Housing Council, Metro North Community Development Corporation, Metropolitan Milwaukee Fair Housing Council, Metropolitan St. Louis Equal Housing and Opportunity Council, MS Communities United for Prosperity (MCUP), MY Project USA, National Association for Latino Community Asset Builders, National Association of American Veterans, Inc., National Coalition for Asian Pacific American Community Development (National CAPACD), Native Community Capital, National NeighborWorks Association, National Urban League, NCRC CDF, Neighborhood Improvement Association, NeighborWorks Southern Colorado, New Future Foundation, New Hope Community Development, New Jersey Citizen Action, New Jersey Institute for Social Justice, New Mexico Community Capital, New York StateWide Senior Action Council, Nichols Temple AME Ministries, North Carolina Housing Coalition, Inc., Northwest Indiana Reinvestment Alliance, Olive Hill Community Economic Development Corporation, Inc., Opportunity Finance Network, Over-the-Rhine Community Housing, Philadelphia Association of Community Development Corporations, Pima County Community Land Trust, Pittsburgh Community Reinvestment Group, Prosperity Indiana, Public Citizen, Public Good Law Center, REBOUND, Inc., Reinvestment Partners, Responsible Business Lending Coalition, Revolving Door Project, Rise Economy, River Cities

Development Services, River City Housing, Inc., Roosevelt, Southwest Community Development Corporation, San Joaquin Valley Housing Collaborative, SaverLife, Self-Help Enterprises, SLEHCRA, Small Business Majority, South Dallas Fair Park Inncity Community Development Corporation, South Florida Community Development Coalition, Southern Dallas Progress Community Development Corporation, Southwest CDC, Southwest Economic Solutions, Southwest Georgia United, Southwest Neighborhood Housing Services, The Food Trust, The Greenlining Institute, The National Council of Asian Pacific Americans (NCAPA), The Sacramento Environmental Justice Coalition, Tierra del Sol Housing Corporation, Town of Apex, Ubuntu Institute of Learning, UIC Law School, Universal Housing Solutions CDC, Urban Economic Development Association of Wisconsin (UEDA), Urban Land Conservancy, Utah Housing Coalition, Vermont Slauson LDC, Washington Area Community Investment Fund, Welfare Reform Liaison Project, Inc., Wisconsin Black Chamber of Commerce, Inc, With Action, Woodstock Institute, Working In Neighborhoods, and Working Solutions CDFI.

For these reasons, we oppose H.R. 976.

Sincerely,

MAXINE WATERS,  
*Ranking Member.*  
 BRAD SHERMAN,  
 DAVID SCOTT,  
 EMANUEL CLEAVER, II,  
 JOYCE BEATTY,  
 AYANNA PRESSLEY,  
 GREGORY W. MEEKS,  
 AL GREEN,  
 BILL FOSTER,  
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 RASHIDA TLAIB,  
 SYLVIA R. GARCIA,  
 NIKEMA WILLIAMS,  
*Members of Congress.*

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