



July 18, 2025

Comment Intake – Interim final rule, Small Business Lending  
Docket No. CFPB-2025-0017  
c/o Legal Division Docket Manager  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

**Re: Small Business Lending Under the Equal Credit Opportunity Act (Regulation B); Extension of Compliance Dates**

To Whom It May Concern:

The U.S. Chamber of Commerce Center for Capital Markets Competitiveness (“Chamber”) appreciates the opportunity to comment on the Consumer Financial Protection Bureau’s (“CFPB”) interim final rule Small Business Lending Under the Equal Credit Opportunity Act (Regulation B); Extension of Compliance Dates (“Rule”).<sup>1</sup>

Small businesses are the lifeblood of our economy, driving innovation, economic growth, and job creation across the United States. Their ability to access credit—from business loans to home equity lines and credit cards—is essential for financing operations, navigating economic challenges, and pursuing growth opportunities. Overly complex or burdensome regulatory frameworks risk injecting unnecessary friction into small business lending markets and may result in reduced access to credit and diminished competition.

The Chamber commends the CFPB’s decision to extend the Section 1071 compliance deadlines, including the delay of Tier 1 compliance from July 18, 2025, to July 1, 2026, and similar one-year extensions for Tiers 2 and 3. This extension is a necessary and appropriate step that will assist financial institutions in preparing for compliance with the final rule and represents a positive acknowledgment of the operational challenges lenders face.

However, while we appreciate the CFPB’s recognition of the need for more time, the Section 1071 Rule remains substantively flawed. The current rule exceeds the scope of the statutory mandate, imposes unnecessary complexity and cost, and threatens to reduce credit availability—particularly with community lenders and

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<sup>1</sup> CFPB, Small Business Lending Under the Equal Credit Opportunity Act (Regulation B); Extension of Compliance Dates; Interim Final Rule, 90 Fed. Reg. 25,874 (June 18, 2025), <https://www.federalregister.gov/documents/2025/06/18/2025-11244/small-business-lending-under-the-equal-credit-opportunity-act-regulation-b-extension-of-compliance>.

institutions that serve historically underserved small businesses. The Chamber urges the CFPB to rescind the current Section 1071 Rule and initiate a fresh notice-and-comment rulemaking. Whether by re-proposing the existing framework or issuing an entirely new draft, the Bureau should blend previously submitted feedback with new input to ensure the final regulation is tightly tailored to the statutory mandate, grounded in market realities, and designed to foster sustainable lending to small businesses. We accordingly ask the CFPB to restart the rulemaking to revisit and revise its approach to Section 1071 requirements and implementation.

As currently drafted, the rule significantly exceeds the statutory mandate provided in Section 1071 of the Dodd-Frank Act and imposes disproportionate burdens on small business lenders—particularly community financial institutions that have long served as engines of economic vitality in underserved areas.

While well-intentioned, the rule's broad scope and prescriptive requirements inject unnecessary complexity and cost into the small business credit ecosystem. These effects are most acutely felt by institutions least equipped to absorb additional regulatory burdens, thereby undermining the CFPB's own policy objectives of increasing competition and expanding access to credit. In particular:

- The rule extends far beyond the statute's requirements. Section 1071 itself mandates the collection of limited data points; however, the CFPB has added additional demographic data requirements, expansive reporting requirements (including related to pricing) and rigid data-security protocols that Congress did not contemplate. These additions have resulted in significant operational and compliance costs, particularly for community lenders. If the CFPB repropose the Section 1071 rule, it should confine its data collection exclusively to the statutory data points expressly mandated by Congress.
- The rule should ensure data collection is appropriately aggregated to mitigate the risk of re-identification, which could expose private applicant data and chill participation in small business lending markets.
- Certain credit products should be exempt, including merchant cash advances and cobranded credit cards. Given their unique structures and risk profiles, products such as merchant cash advances and cobranded credit cards do not align with the typical contours of small business credit under Section 1071 and should be excluded from coverage.
- The rule's definition of "small business" is overly broad. The current gross annual revenue threshold sweeps in entities that Congress did not intend to include in the Section 1071 rulemaking. The CFPB should consider adopting a

narrower threshold—such as \$1 million in gross annual revenue—to ensure that the rule applies to truly small enterprises.

- The current rule’s open-ended data fields create administrative burdens and data quality concerns. The use of multiple-choice formats instead would increase consistency and reduce interpretive ambiguity, thereby improving the rule’s overall effectiveness.

Additionally, ongoing litigation related to the Section 1071 Rule raises serious questions about its procedural validity. Several plaintiffs argue the CFPB exceeded its statutory authority and failed to comply with the requirements of the Administrative Procedure Act (“APA”) in promulgating the rule. To avoid continued legal uncertainty and ensure the Rule is firmly grounded in law, the Chamber strongly recommends that the CFPB rescind the existing Section 1071 Rule. The CFPB should then issue a new notice of proposed rulemaking grounded in statutory authority and informed by the current economic and technological landscape. Through a new rulemaking, the CFPB can consider refinements to the current rule that reduce compliance burdens while preserving the core objective of data transparency.

Ultimately, the CFPB need not adopt an overly burdensome and expansive interpretation of Section 1071. A recalibrated rulemaking process provides a critical opportunity to implement the law in a manner that is faithful to the statute, mindful of market realities, and capable of fostering an inclusive and competitive small business lending ecosystem. Should the CFPB agree to withdraw and repropose the rule, the Chamber urges the Bureau to adopt a new compliance timeline that reflects the duration of the rulemaking process. A revised rule—especially one that substantially diverges from the current framework—should be paired with a commensurate extension of implementation deadlines to ensure institutions have adequate time to prepare.

The Chamber supports the CFPB’s recognition that more time is needed to implement Section 1071—but a pause is not a fix. The rule must be fundamentally reconsidered. We urge the CFPB to withdraw the current rule and proceed with a new rulemaking that remains within the Bureau’s statutory authority, respects lender operational realities, and advances responsible access to capital for America’s small businesses.

We appreciate your consideration of these comments and welcome the opportunity to engage further.

Sincerely,

A handwritten signature in black ink, reading "William R. Hulse". The signature is written in a cursive style with a large, stylized "W" and "H".

Bill Hulse  
Senior Vice President  
Center for Capital Markets Competitiveness  
U.S. Chamber of Commerce