



CBAI Supports Revisions in Rulemaking to Small Business Data Collection for Community Banks (Section 1071)

In a comment letter to the Consumer Financial Protection Bureau (CFPB) dated December 11, 2025, CBAI expressed support for significant revisions that are being proposed to the 2023 Section 1071 small business data collection rule. Specifically, CBAI supports the following revisions.

- Only those financial institutions making over 1,000 small business loans per year will be considered *covered financial institutions* (versus over 100 small business loans per year in the existing rule).
- Agricultural loans would be excluded from the 1,000 loan threshold (an exemption that was not in the existing rule).
- Small businesses subject to the reporting requirement will be defined as having gross annual sales of \$1 million and under (versus \$5 million and under in the existing rule),
- A number of discretionary data points and subpoints were excluded for reporting.
- Also, the loan applicants will be explicitly notified of their right to refuse to provide demographic data, versus the existing weaker anti-discouragement requirement.

However, CBAI expressed its strong opposition to the categorical exemption of all Farm Credit System lenders from the same small business data collection requirements and regulatory burden that will be required for *covered financial institutions* (i.e., covered community banks).

In addition, CBAI urged the Bureau to exempt community banks from the “Firewall” provision, which is the unworkable separation of responsibilities meant to prevent the misuse of demographic data, and also urged the CFPB to aggregate certain data points to protect the privacy of small business borrowers, particularly in rural communities.

[Read CBAI comment letter to the CFPB](#) for additional information about CBAI’s observations and recommendations, which were submitted to the Bureau about this important rulemaking proposal.