

December 15, 2025

Comment Intake—1071 Reconsideration NPRM
Include Docket No. CFPB-2025-0040
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)

To Whom It May Concern:

The undersigned organizations appreciate the opportunity to provide comments on the Consumer Financial Protection Bureau’s (“CFPB”) proposed rule to revise certain provisions of Regulation B, Subpart B, implementing changes to the Equal Credit Opportunity Act as mandated by Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Proposal”).¹

We commend the CFPB for its efforts to recalibrate the 2023 final rule.² The Proposal reflects a pragmatic approach—advancing the statutory purpose of Section 1071 to promote fair access to credit for small businesses, including those owned by women and minorities, while reducing unnecessary complexity and compliance burdens that could otherwise restrict credit availability.

Definition of “Small Business” and Data Collection Simplification

The CFPB’s decision to refine the definition of “small business” and streamline data collection represents a meaningful improvement to the rule. Narrowing the revenue threshold from \$5 million to \$1 million appropriately targets the smallest enterprises—those most vulnerable to credit barriers and most critical to local economic growth. This adjustment aligns the rule with Section 1071’s core purpose: identifying and addressing disparities in access to credit for women-owned and minority-owned businesses where the need is greatest.

Equally important, the CFPB’s decision to focus on the data points specified by Congress and eliminate unnecessary fields strikes the right balance between transparency and operational feasibility. This approach reduces compliance burden

¹ <https://www.federalregister.gov/documents/2025/11/13/2025-19865/small-business-lending-under-the-equal-credit-opportunity-act-regulation-b>

² <https://www.federalregister.gov/documents/2023/05/31/2023-07230/small-business-lending-under-the-equal-credit-opportunity-act-regulation-b>

without undermining fair lending enforcement, ensuring that equity goals are met while preserving the flow of credit to small businesses.

Vendor-Dealer, Indirect Lending, and Broker-Facilitated Transactions

Modern commercial finance often operates through distributed networks of dealers, indirect lenders, and independent brokers rather than direct lender–applicant interactions. The Proposal, as currently structured, does not adequately account for this reality, creating practical compliance challenges and conflicts with Section 1071's statutory design.

In indirect lending arrangements, the lender typically lacks a direct relationship with the small business applicant, making data collection by the financial institution both impractical and burdensome. The party interfacing with the applicant—such as a dealer or vendor—is best positioned to collect demographic and financial data. Without an exception, indirect lenders would be forced to initiate contact with customers solely for data collection, an unprecedented requirement that is unlikely to yield meaningful participation and could harm customer experience. Moreover, these indirect sources often seek financing terms from multiple lenders simultaneously. Under the current rule, this would result in multiple financial institutions submitting data on the same potential transaction, creating duplicative compliance costs and increasing the risk of inconsistent reporting. Such outcomes would undermine data quality and impose unnecessary burdens across the system.

To address these concerns, we urge the CFPB to use its authority under Section 1071(b) to exempt these participants. If full exemptions are not feasible, we recommend allowing demographic data collection after credit decisions are made to reduce friction and maintain accuracy or implementing unique application identifiers with clear guidance to ensure consistent reporting and prevent duplicative or misleading data.

Compliance Threshold and Lookback Period

The Proposal requires financial institutions to collect and report Section 1071 data if they originated at least 1,000 covered transactions in each of the two preceding calendar years before the January 1, 2028, compliance date. Banks may not be able to determine compliance based on the two most recent years. We recommend extending the lookback period to 2 years before the year of compliance (e.g., for January 1, 2028, use 2025/26 rather than 2026/27).

Private Label and Point-of-Sale Credit

We urge the CFPB to reconsider applying the Proposal to private-label and co-branded credit cards, as well as to other credit originated at or facilitated through retailers. Federal regulators have long recognized the unique nature of these products—often excluding them from broader requirements under rules such as FinCEN’s beneficial ownership rule and the CFPB’s Regulation P. Similar treatment is warranted here.

Including these transactions would create significant disincentives for retailers to offer private-label commercial credit, thereby undermining small businesses' access to point-of-sale financing. Imposing demographic data collection at checkout introduces friction, discourages applications, and burdens store associates with sensitive inquiries—raising operational and reputational risks. Moreover, the data collected in these environments would be of limited quality, as applicants may not be the business's principals.

For these reasons, we urge the CFPB to exempt point-of-sale credit from the final rule. If inclusion is maintained, we recommend an exception for credit lines below \$50,000 from the requirements to obtain principal owners’ demographic information.

We appreciate the CFPB’s consideration of these comments and stand ready to engage further to ensure that the final rule achieves its statutory objectives without unintended consequences for small business credit access.

Sincerely,

America’s Credit Unions
Association of Equipment Manufacturers
Consumer Bankers Association
Equipment Leasing & Finance Association
Innovative Lending Platform Association
U.S. Chamber of Commerce