

Date: April 21, 2026

To: Members of the House Committee on Financial Services

From: Kirsten Sutton, Executive Vice President, Congressional Relations & Legislative Affairs

Re: ABA's Views on Legislation for the April 21, 2026, Full Committee Markup

The American Bankers Association (ABA)¹ appreciates the opportunity to provide our views on legislation scheduled for consideration by the House Financial Services Committee on April 21, 2026, and commends the Committee for noticing H.R. 941, the Small Lenders Exempt from New Data and Excessive Reporting (LENDER) Act. This legislation and the accompanying Amendment in the Nature of a Substitute (ANS) both led by Chairman French Hill (R-AR), would provide targeted relief for the banking industry and help address privacy concerns with the Section 1071 rule.

Small Business Lending Data and Collection. Section 1071 of the Dodd-Frank Act amended the Equal Credit Opportunity Act (ECOA) to require financial institutions to compile, maintain, and submit to the Consumer Financial Protection Bureau (CFPB) certain data on applications for credit for women-owned, minority-owned, and small businesses. While ABA opposes lending discrimination in any form, under the previous Administration the CFPB dramatically overstepped its statutory authority when implementing Section 1071 and adopting a final rule in 2023. The CFPB's flawed Section 1071 rule would harm small businesses across the country by creating significant privacy concerns and limiting banks' ability to tailor loans, which would reduce access to credit and increase borrowing costs for small businesses.

While we are encouraged by the CFPB's recent efforts to revise the rule implementing Section 1071, ABA member banks continue to support targeted statutory changes to Section 1071 that will ensure the availability of credit for small businesses across the country while protecting the privacy of small business loan applicants.

Accordingly, ABA strongly supports the Small LENDER Act, which would exempt from Section 1071 compliance lenders that originated fewer than 2,500 small business loans in each of the two preceding calendar years as well as lenders with less than \$10 billion in assets (rather than those originating at least 100 small business loans in the two preceding calendar years). In addition, the legislation would only cover loans to businesses with gross annual revenues of \$1 million or less in the most recently completed fiscal year, rather than businesses with revenues of \$5 million or less. The legislation also sets an initial compliance date of June 1, 2031, with a two-year safe harbor following that date; clarifies the applicant's ability not to provide demographic information; and directs the CFPB to develop a model disclosure form.

¹ ABA is the voice of the nation's \$24.1 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$19.2 trillion in deposits and extend \$12.7 trillion in loans.

Conclusion

The ABA respectfully requests that the Committee favorably report the Small LENDER Act as summarized above, and we thank you once again for the chance to express our views on this important legislation.