**Comments Received**

*In response to this NPRM published on 11/13/2025; RIN: 3170-AB40), 421 comments were received. None of them were related to the PRA. Instead, the comments focused on the rule itself and its provisions.*

Many commenters (including banks, credit unions, non-depository and online lenders, trade associations for lenders and small businesses, advocacy groups, individuals) supported the Bureau's proposed rule.

A number of commenters (e.g. enders, community groups, and trade associations) affirmed the importance of section 1071 and its statutory purposes. A coalition of lenders and community groups stated that section 1071 was a market-based, pro-competition solution to improving access to capital. Several industry commenters supported the aims of section 1071 and the proposed rule. An advocacy group supported section 1071 as important to strengthening credit markets and access to credit and encouraged the Bureau to promulgate a Final Rule that would support a robust and inclusive credit ecosystem. An independent office of a Federal agency stated that the proposed rule was squarely in line with the Regulatory Flexibility Act and implemented statutory goals without excessive small-entity compliance costs.

One advocacy group stated that the proposed rule aligned with the Constitution, section 1071, the Defending Women E.O., and biological reality.

Several banks and a trade association stated that while they preferred a statutory repeal of section 1071, they welcomed the Bureau's proposed revisions to the rule.

A number of lenders, trade associations, and an advocacy group supported the proposed rule's rationale that a long-term data collection regime should start with core products, providers, and data points to avoid disruption to the markets. Two trade associations stated that the effectiveness of the rule depends on maintaining access to credit while collecting reliable data. Several commenters (e.g. trade associations, banks,  an advocacy organization) supported the proposal's calibrated approach to data collection, reflecting the operational and legal concerns raised by commenters earlier in response to the 2021 proposed rule and the 2023 final rule, and balancing the statutory purposes of section 1071 and the capacity of community banks to serve small businesses. An advocacy group stated that a long-term program that begins with modest core requirements will ultimately provide more accurate and useful data while avoiding disruptions in credit availability. The commenter suggested that the Bureau commit to ongoing reassessment of this Rule's requirements and that the Bureau should use the initial data collection to determine whether products, lenders, or data points should be added.

Several credit unions and their trade associations stated that the proposed rule would help credit unions and reduce regulatory burden. Some of these commenters stated that the 2023 Final Rule may have stopped small business lending by credit unions, but that the revisions in the 2025 proposed rule encourage them to continue it. A trade association stated that the proposal recognized the importance of credit unions in small business lending. One credit union cautioned the Bureau to carefully consider any expansion of the rule beyond core lenders and products.

Several community banks and trade associations supported the proposed rule stating that it would provide substantial relief to community banks from regulatory burden. Several of these commenters called the proposed rule a meaningful recalibration. Another trade association warned that if rule was

not well-tailored, it could harm community banks, their small business borrowers, and the nation's economy.  Several community banks said they did not have the resources to comply with the 2023 final rule. One bank stated that a rigid rule would disrupt the tailored lending relationships and flexibility of small banks.

Some banks, trade associations, and an advocacy group supported the proposed revisions, but expressed concern that the remaining requirements of the rule would still impose unintended negative consequences on lenders and small businesses. One trade association, while generally supporting the rule, suggested that the rule be brought into greater alignment with the Community Reinvestment Act regulations. One of the trade associations suggested that the 2023 final rule be rescinded entirely to remove any uncertainty caused by the judicial stays in the litigation challenging the 2023 final rule. A bank expressed concern that section 1071 did not comply with recent Supreme Court decisions concerning race-conscious university admissions and disparate impact.

One bank supported the proposed revisions, but opposed incremental expansion of the rule in the future arguing that this approach would result in a lack of regulatory uncertainty. An individual commenter supported the proposed rule and stated that a rule without bright-line tests( particularly for data points and institutional coverage) would result in the collection of insufficient or inconsistent data.

A trade association stated that the rule should evolve thoughtfully to generate reliable insights to support oversight over small business lending.

One advocacy group urged the Bureau to provide early and comprehensive technical compliance resources, including filing instructions, standardized demographic-data definitions, and system specifications, well before the 1/1/2028 effective date, noting that large last-minute revisions would undermine preparation efforts. Two trade associations requested that lenders have sufficient compliance lead time to develop data-collection platforms that accurately capture and report section 1071 data.

Many other commenters opposed the proposed rule generally. These commenters included community groups, Members of Congress, trade associations for CDFIs, small farms, and small businesses, advocacy groups, service providers to lenders, and individuals.

Many commenters asserted that lending discrimination is still widespread and that data collected under this rule is vital to addressing it. Two advocacy groups identified ongoing disparities in approvals or amounts approved for minority-owned and women-owned businesses. A trade association for small businesses cited studies by Federal agencies identifying gaps in credit access for minority-owned and women-owned businesses. A trade association for minority-owned CDFIs asserted that any revisions to the 2023 final rule must be evaluated against longstanding credit inequities section 1071 was enacted to address. An individual commenter stated women-owned and minority-owned businesses have faced systemic barriers in accessing fair credit and that a rule that does not result in robust transparency in lending would be contrary to section 1071.

Several commenters(including community groups, Members of Congress, and an advocacy group, argued that the collection of less data would undermine fair lending laws. A community group supported the reduction in burdens related to this rule but argued that the proposed revisions would unintentionally reduce the usefulness of the section 1071 data, and that the Bureau must maintain elements necessary to maintain clear and consistent data on small business lending. The commenter encouraged the Bureau

to reduce burden by focusing on implementation planning, clear definitions, and sequencing rather than removing data fields. Another community group stated that the Bureau should implement the 2023 final rule and collect a critical mass of data before revising the rule. Another stated that the Bureau should withdraw the 2025 proposed rule and restore the 2023 final rule to ensure the rule is sufficiently comprehensive.

One community group argued that it was inconsistent for the Bureau to propose a rule with more modest requirements that it could expand over time while seeking in the short term to shed staff and shut down its own operations. Members of Congress stated that the proposed rule would preserve the appearance that data was going to be collected but that the actual result would be too thin and partial to be useful.

Several commenters noted the benefits of collecting more data than less. A community group and a bank argued that a broader data collection would benefit both borrowers and lenders. For example, lenders would be able to identify unmet credit needs, generate more revenue, avoid fair lending violations, and small businesses would receive loans and expand. Several commenters stated that their experience with HMDA reinforced the importance of broad data collection and reporting in the context of section 1071. A community group argued that the Bureau should collect data on non-core lenders because data analysis can account for differences that may be attributable to different types of reporting lenders, such as MCAs.

A number of community groups, advocacy groups, service providers, and individuals, as well as a trade association for minority-owned CDFIs, argued that the proposed rule undermines the statutory purposes of section 1071. A community group asserted that, to comply with section 1071, the rule must require collection of sufficiently detailed data, and claimed that the proposed rule did not meet this standard. A coalition of community groups argued that the proposed rule would undermine section 1071's promise of bringing transparency to small business lending. One community group noted that data from the Paycheck Protection Program (PPP) demonstrated the value of section 1071 data in identifying issues faced by women-owned and minority-owned businesses in obtaining PPP funding. Another commenter noted that minority-owned community lenders have seen firsthand how incomplete data can obscure disparities and impede effective intervention.

An individual commenter asserted that the Bureau failed to adequately explain how its proposed changes would improve consumer outcomes or market stability, that a rational connection had not been made between the stated objectives and the foreseeable consequences for consumers, and that the Bureau had not considered alternatives that would maintain strong consumer protections while addressing administrative or operational concerns.

A number of commenters opposed the Bureau's rationale focusing on an initial data collection involving core products, lenders, and data points. Several community groups argued that section 1071 does not direct the CFPB to pursue a modest, pilot data collection but rather to develop a broad, comprehensive data collection immediately, sufficient to reveal patterns in credit access and support fair lending enforcement; they concluded that the proposal failed to do this and therefore would frustrate the statutory purposes of section 1071. Commenters also argued that the incremental expansion of section 1071 data would not be the best way to preserve data quality, and that lenders had years to prepare to comply with the 2023 final rule.

One advocacy group asserted that the Bureau offered no evidence of a plan to reassess the rule at a later date to potentially expand the collection of data. A community group argued that the Bureau had taken other actions demonstrating that it was not committed to fair lending.

A bank disputed an assertion in the proposed rule that smaller institutions would produce worse data. A community group stated that the proposed revisions would shrink the scope of the rule despite evidence of an increase in high-cost and opaque small business lending products. Another community group stated that additional data is needed to explain these changes in the market. A coalition of lenders and community groups urged the Bureau to consider the risk of narrowing the rule and argued that a less comprehensive rule could have gaps which would not permit a reliable assessment of credit flows and would limit the utility of the rule. A community group claimed that the proposed rule acknowledged (but did not justify) the loss of benefits associated with the proposed rule (e.g. a loss of fair lending benefits, reduction in community development benefits, as benefits associated with the coverage of certain financing markets and lenders).

One community group stated that the proposed rule's discussion of the history of HMDA was a misguided basis for the Bureau's longer-term, incremental approach to data collection. The commenter stated that HMDA implementation demonstrated that even small lenders can comply with data collection requirements, and that the market is stronger for data transparency. The commenter also asserted that while HMDA expanded over time, section 1071 does not require iteration because Congress learned from its decades of experience with HMDA. Another community group stated that the proposed revisions were not supported by evidence; by contrast, the commenter stated that HMDA's evolution provided 50 years of lessons to be learned that were embedded in the 2023 final rule.

A community group claimed that the Bureau repeatedly cited unsubstantiated comments justifying the proposed rule, arguing that where the Bureau referred to stakeholder feedback, it had met with groups with special access. The commenter also argued that the Bureau cannot use an Executive Order as justification to override a statutory mandate. The commenter finally provided a lengthy list of specific communities—including non-profit organizations, advocacy groups, community lenders and others—that it argued would be harmed by the lack of data.

The commenter further argued that frequent changes to regulations would depress economic output. Further, that regulatory uncertainty leads lenders to be overly cautious, leading them to restrict credit access. An advocacy group argued that smaller lenders tend to pull back when regulatory standards are unclear or overly expansive.

**Comment Period-related Comments**

In the NPRM, the Bureau provided a 30-day comment period for the public to review and submit feedback on the proposed revisions to the Section 11071 regulatory framework.

The Bureau received a number of comments requesting an extension of the 30-day comment period from a variety of stakeholders, including banks, community groups, and individuals.

Most of the commenters requesting an extension asked for an additional 60 days. One bank requested an additional 90 days, and two individual commenters requested an extension without specifying a timeframe.

Many of these commenters argued that 30 days was an insufficient amount of time to determine the proposal's impacts and provide meaningful feedback. Commenters pointed to the complexity and significance of the proposal, asserting that it was lengthy, differed significantly from the existing regulation, and contained issues that, they said, the Bureau had never before proposed or sought comment on. One bank specifically requested a 90-day extension to update the financial impact analysis it had conducted for the initial 2023 final rule, stating it needed more time for data collection and analysis to better inform the final rule.

Several commenters contrasted the 30-day period with the Bureau's past practices regarding the process leading up to the 2023 final rule, which included a robust SBREFA consultation process and public comment on the Bureau's Outline of Proposals Under Consideration, along with a 90-day comment period on the 2021 proposed rule (with some commenters noting stakeholders actually had 120 days to review the 2021 proposed rule because it was posted on the Bureau's website 30 days prior to publication in the Federal Register). One commenter expressed specific concern that the Bureau chose to forgo a new SBREFA process for this rulemaking. A few commenters stated that the Administrative Procedure Act (APA) and E.O. 13563 require agencies to afford the public a meaningful opportunity to participate in the regulatory process, with one commenter asserting that this generally requires a comment period of at least 60 days.

Commenters also cited logistical challenges making the 30-day deadline difficult to meet. Many commenters highlighted that the Bureau simultaneously issued a separate Regulation B proposal (also contained in OMB Control Number 3170-0013) subject to the same 30-day deadline, stressing that it was difficult to delve into both complex proposals since they required review by many of the same organizational stakeholders and experts. Additionally, many commenters pointed out that the Thanksgiving and winter holidays fell within or immediately followed the comment period.

Commenters raised special concerns regarding the comment period's impact on certain types of stakeholders. Specifically, commenters suggested the short deadline was particularly challenging for community-based organizations that needed time to develop community-informed comments; trade associations that required time to meaningfully consult with their member banks to provide robust and granular feedback; and small or public-interest organizations that lack the resources to turn around complex analyses quickly.

Finally, one commenter asserted that the short comment period (combined with the simultaneous Regulation B proposal and the holiday timing)demonstrated the Bureau's disinterest in receiving and fully considering public comments. The commenter also suggested that the timeline indicated the Bureau was ready to ignore the full weight of the public record and its own detailed analysis leading up to the 2023 final rule.