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*Via electronic submission*

February 18, 2020

Comment Intake  
Bureau of Consumer Financial Protection  
(Attention: PRA Office)  
1700 G Street, NW  
Washington, DC 20552

**RE: ICBA Comments on CFPB Information Collection Request, “Small Business Compliance Cost Survey” [OMB Control Number: 3170-0032] [Docket No. CFPB-2020-0008]**

Dear Sir or Madam:

The Independent Community Bankers of America (“ICBA”)<sup>1</sup> is writing in response to the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) request to the Office of Management and Budget (“OMB”) to approve the collection of information related to the “Small Business Compliance Cost Survey under the Generic Information Collection Plan” (the “Survey”).

As ICBA communicated to Director Kraninger in an April 23, 2019 letter, we appreciate the Bureau’s efforts to identify potential benefits and burdens before rules are promulgated. This would be a welcome shift from the previous practice of issuing broad rules applicable to a wide-scope of products or persons, then only later acknowledging the burden and further tailoring the rule in subsequent iterations. Although many community banks often benefit from further

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<sup>1</sup> *The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. With more than 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ nearly 750,000 Americans and are the only physical banking presence in one in five U.S. counties. Holding more than \$5 trillion in assets, nearly \$4 trillion in deposits, and more than \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers’ dreams in communities throughout America. For more information, visit ICBA’s website at [www.icba.org](http://www.icba.org).*

*The Nation’s Voice for Community Banks.®*

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tailoring that excludes them from subsequent coverage, they have already incurred the costs of complying with the overly-broad initial version. A better approach would be to first carefully evaluate a potential rule's effects, then tailor it before an initial rulemaking.

When reviewing the responses to the Survey, ICBA urges the Bureau to acknowledge the fact that new data collection and reporting requirements under Section 1071 on community bank small business lenders would negatively impact small business lending and lead to unfortunate, unintended consequences for small business owners seeking credit. In particular, ICBA requests that the Survey analysis attend to the following concerns:

- Staffing issues unique to community banks
- Adoption of new IT systems and forms
- Potential elimination of "high-touch," relationship underwriting
- Consumer re-identification risk

ICBA strongly urges the Bureau to continue collecting information about the small business lending market and the impact Section 1071 will have on community bank small business lenders before initiating any rulemaking. It is clear that this market is complex, and it is important to understand the market dynamics before potentially increasing small business borrowing costs and reducing access to small business loans.

ICBA still contends that the only comprehensive solution would be Congressional recognition of these problems and a full legislative repeal. However, short of legislative action, ICBA recommends that the Bureau use all the resources at its disposal to closely study the impact of a 1071 rulemaking and plot a course that would have the smallest disruption to the marketplace. After further exploration, ICBA is confident that the Bureau will recognize the inordinate burden that this rule would place on community banks and will use its authority under the Dodd-Frank Act to exempt community banks from data collection and reporting, limit any regulation to data points required by statute, and prioritize protecting customer privacy as it considers new data reporting requirements.

If you have any questions or would like additional information, please do not hesitate to contact me, Michael Emancipator, ICBA's Vice President and Regulatory Counsel, at (202) 659-8111 or [michael.emancipator@icba.org](mailto:michael.emancipator@icba.org).

Sincerely,

/s/

Michael Emancipator  
Vice President & Regulatory Counsel

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