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Rebeca Romero Rainey, President and CEO

February 19, 2025

The Honorable French Hill  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Hill:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write to express our strong support for the Small LENDER Act (H.R. 941), which would mitigate the adverse impact of the CFPB's rule under Dodd-Frank Section 1071 on America's small businesses and community banks.

As you know, the CFPB's rule requires community banks and other financial institutions to collect and report 81 pieces of data on every small business loan application, well beyond what is required by statute. Intrusive data collection will compromise the privacy of small business applicants, effectively "commoditize" small business lending, and increase the cost of credit.

H.R. 941 would raise the loan-volume threshold at which financial institutions would be required to collect and report small business lending data. One of ICBA's primary objections to the rule is that it would exempt too few community banks and the small businesses they serve. Your bill would:

- Define a "financial institution" as one that originates at least 500 covered credit transactions for small businesses in each of the two preceding calendar years. (The rule sets the threshold at 100 a year.)
- Define a "small business" as one with gross annual revenues of \$1 million or less in the most recently completed fiscal year. (The rule's gross revenue threshold is \$5 million or less.)

The Small LENDER Act would provide community banks with significant relief and, in turn, would provide small businesses the credit they need to continue to grow.

Thank you again for introducing this important legislation. We look forward to working with you to advance it.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the House Financial Services Committee