



January 6, 2022

Comment Intake
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Small Business Lending Data Collection Under the Equal Credit Opportunity Act
(Regulation B); Docket No. CFPB-2021-0015

Dear Sir or Madam:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit remarks on the Consumer Financial Protection Bureau's (CFPB) proposed rule on small business lending data collection. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.8 million consumers.

The League supports the proposal's goal of implementing Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Credit unions serve a defined field of membership, and they provide all members with fair and equitable financial opportunities. However, we do have concerns with added compliance costs resulting from the data collection. Compliance burden has a disproportionate impact on smaller financial institutions. With significant increased compliance burden, credit unions could be forced to increase loan fees to recoup costs or exit small business lending, which would hurt small businesses the rule intends to help. Due to these concerns, we ask the CFPB to include a greater exemption for small lenders. We suggest increasing the covered credit transactions threshold to 500 in each of the two preceding years, and we suggest a \$600 million or greater asset size exemption be included. A \$600 million asset size standard for a small financial institution according to the Small Business Administration's (SBA) Table of Size Standards.

We also believe the revenue standard at which businesses are considered small, thus covered by the rule, should be lowered. We recommend that gross annual revenue should be no more than \$1 million instead of the proposed \$5 million. The CFPB should also address or exempt new businesses and avoid duplicative reporting with this rule and the Home Mortgage Disclosure Act. Agricultural lending is another area that should be exempted. Many of these borrowers are serviced by small local community financial institutions, including credit unions. Some credit unions origins were, and continue to be, agriculturally based members and borrowers, and those individuals are represented on the credit unions' board of directors. Also, covered loans should not include government-guaranteed loans (e.g., SBA loans). SBA already has standards in place.

The League believes the required collected data points should be limited to the Dodd-Frank Act statutory requirements and not add any discretionary data points. Additional information adds to the compliance burden, and it is not evident how the discretionary information would benefit the CFPB.

Last, we encourage the CFPB to lengthen the effective date. An effective date of three years after a final rule is more appropriate, and it will allow for implementation planning (e.g., system reprogramming, application/information collection process changes, and staff training).

If the proposal is unchanged, it will add substantial compliance strain on credit unions. It is important for the CFPB to avoid creating unintended barriers for small business borrowers seeking credit while ensuring community lenders, like credit unions, can maintain the ability to provide these loans without increasing costs to borrowers or exiting the marketplace.

The ICUL appreciates the opportunity to comment on the CFPB's proposed rule on small business lending data collection. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

A handwritten signature in black ink that reads "John McKenzie". The signature is written in a cursive style with a large, stylized "J" and "M".

John McKenzie
President, Indiana Credit Union League