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CFPB Issues Small Entity Compliance Guide For Section 1071 Final Rule*

Dodd-Frank Act Section 1071 amended the Equal Credit Opportunity Act to require financial institutions to compile, report, and maintain specified information regarding certain women-owned, minority-owned, or small business loan applicants, in accordance with regulations to be issued by the CFPB. On March 30, 2023, the CFPB issued a final rule amending Regulation B to implement changes to ECOA made by Section 1071 ("Final Rule"), as reported in the May 2023 BCG newsletter.

On May 12, 2023, the CFPB published the Small Entity Compliance Guide for the Small Business Lending Rule ("Guide"). The Guide is a resource intended to help the industry (including community banks and credit unions) better understand the Final Rule's requirements. The Guide includes a detailed summary of the Final Rule and also provides illustrative examples to help clarify certain provisions of the Final Rule. The Guide may be found at https://files.consumerfinance.gov/f/documents/cfpb_small-business-lending-rule_small-entity-compliance-guide.pdf.

For additional questions on the Final Rule, institutions can contact Joel Cook at JCook@ABLAWyers.com or John Davis at JDavis@ABLAWyers.com.

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