



November 29, 2023

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Johnson and Minority Leader Jeffries:

On behalf of the Credit Union National Association (CUNA) and the National Association of Federally-Insured Credit Unions (NAFCU), we are writing in support of a resolution under consideration this week by the House of Representatives to disapprove of the CFPB's rulemaking under Section 1071 of the Dodd-Frank Act. S. J. Res. 32 is a joint resolution providing for Congressional disapproval under Chapter 8 of Title 5, United States Code, of the rule submitted by the Consumer Financial Protection Bureau (CFPB) relating to Small Business Lending Under the Equal Credit Opportunity Act (Regulation B) as required under Section 1071. CUNA and NAFCU represent America's credit unions and their more than 138 million members.

It is important for the CFPB to not harm small businesses or small financial institutions, such as community credit unions. There is widespread concern that the complexity and significant costs of the CFPB's Section 1071 rule will weigh disproportionately on credit unions in ways that ultimately lead to fewer and less favorable outcomes for all small business borrowers.

The overly broad scope of the CFPB's rule will substantially raise the cost of small business borrowing and require covered financial institutions to collect data on businesses that are not "small businesses" by any traditional metric. Rulemaking from Section 1071 should be appropriately tailored to ensure the health and financial needs of truly small businesses can continue to be met.

Furthermore, the tiered compliance schedule established by the CFPB is aggressive even for the largest, most technologically savvy commercial lenders. We support efforts to establish an appropriate compliance timeline for Section 1071 so that credit unions and their vendors have sufficient time to effectively implement these complex changes.

CUNA and NAFCU fully support efforts to rein in the CFPB and its imposition of this burdensome regulation on credit unions and other community financial institutions. On behalf of America's credit unions and their more than 138 million members, thank you for considering our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle".

Jim Nussle
President and CEO
Credit Union National Association

A handwritten signature in black ink, appearing to read "Dan Berger".

Dan Berger
President and CEO
National Association of Federally-Insured Credit Unions