April 6, 2023

The Honorable Roger Williams
Chairman
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Re: Introduction of Section 1071 Rule Resolution of Disapproval

Dear Chairman Williams:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to thank you for introducing a resolution of disapproval of the Section 1071 rule submitted by the Consumer Financial Protection Bureau (CFPB). NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 135 million consumers with personal and small business financial service products.

Section 1071 of the Dodd-Frank Act tasked the CFPB with promulgating a rule to collect information on small business lending at financial institutions. NAFCU has long advocated that the current rulemaking effort stands to put significant compliance costs on our member credit unions. As we testified before the House Small Business Subcommittee on Tax, Entrepreneurship, and Capital Formation, this rule would require significant one-time costs to implement new data collection systems and long-term, ongoing costs in training staff, information technology, and auditing expenses. Small institutions like community-based credit unions cannot afford the cost of complying with these new regulatory burdens. These costs would result in fewer lenders supporting our nation's small businesses, which would in turn result in less availability of credit for small businesses. We thank you for your leadership on this issue, and we support your legislation to disapprove of the rule being finalized by the CFPB.

We thank you again for your leadership in this area and for allowing us to share our thoughts. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Senior Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs