

# Aldrich & Bonnefin, PLC\*, Counsel for Bankers' Compliance Group®

## CFPB's Section 1071 Small Business Lending Data Collection Rule & Fair Lending for Commercial Lenders

January 2025

**D**odd-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 other small business loan applicants, in accordance with regulations to be issued by the Consumer Financial Protection Bureau (CFPB). On March 30, 2023, the CFPB issued a final rule amending Regulation B to implement the changes made by Section 1071 (the "Section 1071 Final Rule").

Several lawsuits were then filed challenging the Section 1071 Final Rule primarily based on the constitutionality of the CFPB's funding structure, and an injunction was issued to temporarily delay the compliance dates provided in the Section 1071 Final Rule. However, in May 2024, the U.S. Supreme Court upheld the CFPB's funding structure, and the CFPB then extended the compliance dates provided in the Section 1071 Final Rule.

In this Seminar, we will discuss which institutions are subject to the Section 1071 Final Rule, the new extended compliance dates and related recent developments, the details and requirements of the rule (such as the data collection requirements, firewall requirements, reporting data to the CFPB, etc.), and some best practices in terms of complying with the rule. We will also discuss the Section 1071 Final Rule's impact on lenders, such as fair lending issues, possible reputational concerns, changes to the application process for small business loans, and training staff. Additionally, we will cover some examples and case studies during the Seminar.

**We have scheduled only  
Recording Playbacks with Live Q&As  
for this Seminar.**



Joel N. Cook, Esq. is a principal of Aldrich & Bonnefin, who joined the firm in August 2011. Mr. Cook manages the firm's Corporate Practice Group which includes commercial lending and corporate securities law. Mr. Cook is also the President and Chief Executive Officer of the firm., Mr. Cook's practice focuses on corporate law, commercial lending matters (including commercial and real estate loans, loan participations and loan workouts) as well as regulatory compliance. Mr. Cook obtained his law degree from Loyola Law School of Los Angeles. Prior to becoming an attorney, Mr. Cook worked as a banker for nine years in various roles with a large national bank and had extensive dealings with the Office of the Comptroller of the Currency.



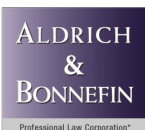
John M. Davis, Esq. joined Aldrich & Bonnefin, PLC in May 2017 as a Summer Associate and remained with the firm as a law clerk until he became an Associate Attorney in June 2019. Mr. Davis is part of the firm's Banking Operations & Fintech and Corporate Practice Group, specializing in corporate and commercial lending matters. Mr. Davis also regularly advises clients on matters related to data privacy and information security laws, including with regard to the Gramm-Leach-Bliley Act, the California Consumer Privacy Act, and the California Consumer Privacy Rights Act.

### SEMINAR HIGHLIGHTS

- Overview of the CFPB's new Section 1071 Final Rule
  - ◆ Framework of the rule and which institutions are subject to the rule
  - ◆ New extended compliance dates and related recent developments
  - ◆ The impact of the rule on covered institutions
- A focus on the data collection requirements
  - ◆ The small business loan applications that require data to be collected
  - ◆ The 20 data points that must be collected with regard to covered applications
  - ◆ Treatment of sensitive and protected data
- Voluntarily collecting data and miscellaneous issues
  - ◆ Issues regarding voluntarily collecting data
  - ◆ Firewall and recordkeeping requirements
  - ◆ Reporting data to the CFPB and publication of the data
- Fair lending issues
  - ◆ Fair lending laws, regulations, and guidance that apply to small business loans
  - ◆ Issues related to fair lending, such as disparate treatment and redlining
  - ◆ Fair lending concerns raised by the Section 1071 Final Rule

### WHO SHOULD ATTEND?

Please invite your chief credit officer, credit administrators, loan officers, loan processors, compliance officers, and other personnel involved with small business loans.



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\* Janet Bonnefin has retired from the firm.

## SEMINAR RECORDING PLAYBACKS - BCG MEMBERS ONLY

(Continuing education credit will be provided only to the registrant)

	PLAYBACK DATE AND TIME	REGISTRATION CLOSE DATE
RECORDING PLAYBACK #1	Tuesday, January 14, 2025, 8:30 a.m.—3:00 p.m.	Thursday, January 9, 2025, 12:00 p.m.
RECORDING PLAYBACK #2	Thursday, January 16, 2025, 8:30 a.m.—3:00 p.m.	Monday, January 13, 2025, 12:00 p.m.
RECORDING PLAYBACK #3	Wednesday, January 22, 2025, 8:30 a.m.—3:00 p.m.	Thursday, January 16, 2025, 12:00 p.m.
RECORDING PLAYBACK #4	Thursday, January 23, 2025, 8:30 a.m.—3:00 p.m.	Friday, January 17, 2025, 12:00 p.m.

**LOGIN INFORMATION:** Registrants will receive an email two business days prior to the Recording Playback Date with the login information. Registrants also will receive a second email when the pin is activated and the Seminar materials are available to download. There will be live question and answer sessions both during and at the end of the presentation.

### REGISTRATION

**MEMBERS:** To register for this Seminar, please contact your institution's BCG Main Contact, or if you are authorized, log in at <http://register.bankerscompliancegroup.com/subadmin> and select "Register for Events." We recommend that you register as soon as possible as registrations are accepted on a first-come, first-serve basis.

### MATERIALS

For this Seminar, we are updating sections of BCG Standard Procedures Manual #03, Commercial Lending. BCG Members will receive the updated SPM through their membership subscription to Compliance Companion® by the first week of January 2025. As noted above, registered attendees will be able to download the Agenda and Discussion Outline prior to the Recording Playback.

### ACCREDITATION

(Continuing education credit will be provided only to the registrant)

**MCLE:** Aldrich & Bonnefin, PLC certifies that this activity conforms to the standards for approved education activities prescribed by the rules and regulations of the State Bar of California governing MCLE. This activity has been approved in the amount of **4.75** hours.

**CRCM:** "CFPB's Section 1071 Small Business Lending Data Collection Rule & Fair Lending for Commercial Lenders" has been submitted to ABA Professional Certifications for CE credit review and is pending approval. Once we receive notification of the credit approval, we will notify attendees.

**CPE:** Aldrich & Bonnefin, PLC follows Continuing Education (CE) regulations as outlined in the California Accountancy Act. CE credit may be obtained for Certified Public Accountants and Public Accountants. This activity is eligible for **5.5** hours of CPE Continuing Education credit.