The Honorable Glenn "GT" Thompson, Chair
U.S. House Agriculture Committee

The Honorable David Scott,
Ranking Member
U.S. House Agriculture Committee

The Honorable Patrick McHenry, Chair
U.S. House Committee on Financial Services

The Honorable Maxine Waters,
Ranking Member
U.S. House Committee on Financial Services

The Honorable Debbie Stabenow, Chair
U.S. Senate Committee on Agriculture, Nutrition, & Forestry

The Honorable John Boozman,
Ranking Member
U.S. Senate Committee on Agriculture, Nutrition, & Forestry

The Honorable Sherrod Brown, Chair
U.S. Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Tim Scott,
Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs

May 15, 2024

RE: Opposition to Weakening, Overturning, or Exemptions to Consumer Financial Protection Bureau (CFPB) Rule 1071

Dear Chairs and Ranking Members,

We, the 136 undersigned organizations, write to express strong opposition to any current or future initiatives to weaken, overturn, or provide exemptions to the Consumer Financial Protection Bureau (CFPB) Rule 1071 on Small Business Lending Data Collection under the Equal Credit Opportunity Act.

Current efforts that attempt to weaken CFPB rule 1071 include:

- HR 2423, the Farm Credit Independent Authority Act, which would exempt Farm Credit System lenders from CFPB Rule 1071;
- HR 1806, the Small Lenders Exempt from New Data and Excessive Reporting (LENDER) Act;
- HR 1810, the Business Loan Privacy Act.

Section 1071 of the Dodd-Frank Act amended the Equal Credit Opportunity Act (ECOA) to require financial institutions to compile, maintain, and submit to the Bureau certain data on

applications for credit for all defined small businesses, including women and minority-owned small businesses. To be clear, Section 1071 is not optional – it is legally required under the Dodd-Frank Act. CFPB's regulatory updates are designed to implement Section 1071 as intended by Congress, and our organizations strongly support this effort.

The CFPB's regulatory updates are common sense efforts to improve the public's understanding of the on-the-ground impacts of lending (including agricultural lending), and ultimately to inform policy that is tangible and beneficial for farmers, consumers, and our food and farm systems.

Rule 1071 Is Pro-Farmer and Pro-Market

The Section 1071 rule is pro-farmer. Young, beginning, and small farmers have consistently demanded more transparent and fair markets. Having accurate and public data concerning the demographics primarily served by agricultural lenders will help farmers and consumers make better-informed financial decisions.

The Section 1071 rule is pro-market. The data required by Section 1071 will help lenders identify unmet credit needs and expand to new markets, especially in underserved and rural communities. The rule contains no mechanism to penalize lenders based on the demographic data reported. Collecting loan applicant demographics is not new to the vast majority of lenders covered by this rule.

Why Agricultural Lending Data is Critical

Creating effective and fair policy requires comprehensive and transparent data collection and analysis. To help ensure collection of more comprehensive agricultural lending data, it is critical that agricultural lenders — including those regulated by the Farm Credit Administration – participate in demographic reporting.

The Farm Credit System is among the country's most significant agricultural lenders, holding 44 percent of farm debt at the end of 2021.[1] But without data transparency, the public does not know which farmers are being served and which may be left behind, despite Farm Credit's unique responsibility to the public as a government-sponsored enterprise. Many **Farm Credit System lenders already collect home loan borrower demographics,** as required under the Home Mortgage Disclosure Act.

Two Government Accountability Office reports support the application of Section 1071 to agricultural lending: *Agricultural Lending: Information on Credit and Outreach to Socially Disadvantaged Farmers and Ranchers Is Limited,* and *Fair Lending: Data Limitations and the*

[1] Congressional Research Service. (2022, July) Agricultural Credit: Institutions and Issues. https://crsreports.congress.gov/product/pdf/R/R46768#:~:text

Fragmented U.S. Financial Regulatory Structure Challenge Federal Oversight and Enforcement Efforts, which note that "Congress should consider requiring additional data collection and reporting for non-mortgage loans."[2]

Transparent demographic data from agricultural lenders may provide insight on such trends as the dramatic decline of Black representation in farming and farmland ownership, as chronicled in several government records:

- Federal Register announcement in Section 1002.104(A), "the share of minority representation in farming, particularly that of Black farmers, has declined sharply over the last 100 years."
- U.S. Census Bureau 2019; USDA 2019: Even though Black, American Indian, Hispanic, Asian-Pacific American and other underserved populations represent nearly one-quarter of the US population, they operate less than 5 percent of the nation's declining number of farms, and cultivate less than 1 percent of its farmland.
- 2022 Census of Agriculture: Over the five years from 2017 to 2022, there has been an 8.1% decrease in Black farmers and a 3.4% decrease in Native American farmers and ranchers.

Conclusion

The undersigned organizations urge you to oppose any efforts to weaken, overturn, or provide exemptions to the Consumer Financial Protection Bureau (CFPB) Rule 1071 on Small Business Lending Data Collection under the Equal Credit Opportunity Act, including exemptions for the Farm Credit Administration in the Farm Bill to CFPB Rule 1071.

Cc:
Members of U.S. House Agriculture Committee
Members of U.S. House Committee on Financial Services
Members of U.S. Senate Committee on Agriculture, Nutrition, & Forestry
Members of U.S. Senate Committee on Banking, Housing, and Urban Affairs

Sincerely,

[2] United States Government Accountability Office. (2019, July) *AGRICULTURAL LENDING Information on Credit and Outreach to Socially Disadvantaged Farmers and Ranchers Is Limited.* https://www.gao.gov/assets/gao-19-539.pdf

National Organizations

20/20 Vision
Accountable.US
American Economic Liberties Project
American Indian Mothers Inc (AIM)
Americans for Financial Reform
Blue Future
CDFI Coalition
Center for Economic Justice
Center for Food Safety
Center for Responsible Lending
Coalition on Human Needs
Consumer Action
Consumer Federation of America
Consumer Reports
Consumers for Auto Reliability and Safety
Earthjustice
Fair Food Network
Faith in Action Network
Farm Action Fund
Farm Aid
Farm Bill Law Enterprise
Food Animal Concerns Trust
Food Culture Collective
HEAL (Health, Environment, Agriculture, Labor) Food Alliance
HNA Networks
I-Collective
Institute for Agriculture and Trade Policy
Institute for Policy Studies, Poverty Project
James Beard Foundation
La Semilla Food Center
Latino Farmers & Ranchers International, Inc.
Local Initiatives Support Corporation (LISC)
Main Street Alliance
MALDEF
Manzanita Capital Collective
NAACP
National Action Network
National Association for Latino Community Asset Builders
National Black Farmers Association
National Black Food and Justice Alliance
National Center for Law and Economic Justice

National Community Reinvestment Coalition (NCRC)
National Fair Housing Alliance
National Family Farm Coalition
National LGBTQ Task Force
National Rural Housing Coalition
National Sustainable Agriculture Coalition (NSAC)
National Young Farmers Coalition
Opportunity Finance Network
Organic Farming Research Foundation
Pasa Sustainable Agriculture
Pesticide Action Network
Public Citizen
Real Food Media
Reinvestment Fund
Rural Advancement Foundation International
Revolving Door Project
Rural Coalition
Shared Capital Cooperative
Self-Help
Slow Food USA
Small Business Majority
The National Council of Asian Pacific Americans (NCAPA)
The Restaurant Opportunities Centers United (ROC UNITED)
UnidosUS
Union of Concerned Scientists
USPIRG
Women Food and Agriculture Network (WFAN)
Woodstock Institute
Working Solutions CDFI

Local/State/Regional Organizations

Alabama
Alabama Arise
Alabama State Association of Cooperatives

Arkansas
Southern Bancorp Community Partners

California
Campaign for Family Farms and the Environment
CAMEO Network - California Association for Micro Enterprise Opportunity

California FarmLink
Community Alliance with Family Farmers
Minnow
Rise Economy
San Diego Food System Alliance
The Greenlining Institute

Colorado
Nourish Colorado

Georgia
Georgia Watch

Idaho
United Vision for Idaho

Illinois
Black Oaks Center SRL
Chicago Food Policy Action Council
Illinois Stewardship Alliance
Midwest Farmers of Color Collective

Indiana
Midwest Farmers of Color Collective

Iowa
Midwest Farmers of Color Collective

Kansas
Kansas Black Farmers Association

Kentucky
Kentucky Equal Justice Center
Food in Neighborhoods Community Coalition

Louisiana
Sprout

Maine
Coastal Enterprises, Inc.
Maine Organic Farmers and Gardeners Association
Maine People's Alliance

Maryland
Economic Action Maryland
Public Justice Center

Massachusetts
Springfield Food Policy Council

Michigan
Midwest Farmers of Color Collective

Minnesota
Appetite For Change
Land Stewardship Project
Midwest Farmers of Color Collective
Renewing the Countryside

Missouri
Missouri Coalition for the Environment
Southern Bancorp Community Partners

Nevada
Legal Aid Center of Southern Nevada

New Hampshire
New Hampshire Community Loan Fund
Northeast organic Farming Association of New Hampshire (NOFA-NH)

New Jersey
Housing and Community Development Network of New Jersey
New Jersey Citizen Action
Northeast Farming Association Of New Jersey (NOFA NJ)
New Jersey Institute for Social Justice

New Mexico
Agri-Cultura Cooperative Network
Farm to Table - New Mexico
New Mexico Fair Lending Coalition

New York
Empire Justice Center
Good Food Buffalo Coalition

Northeast Organic Farming Association of New York (NOFA-NY)
Soul Fire Farm

North Carolina
American Indian Mothers Inc
Carolina Farm Stewardship Association
Carolina Farm Trust
CFSA
Eco Charlotte Greenpeace
El Centro Hispano
Eva Clayton Rural Food Institute
EXCEED, Inc
Hannah's Community Kitchen
Land Loss Prevention Project
Mi Tierra Farm
North Carolina Council of Churches

North Dakota
Midwest Farmers of Color Collective

Ohio
Midwest Farmers of Color Collective
Ohio Ecological Food and Farm Association

Pennsylvania
Pasa Sustainable Agriculture
The Food Trust

South Carolina
Carolina Farm Stewardship Association
Rural Advancement Fund of the National Sharecroppers Fund

South Dakota
Midwest Farmers of Color Collective

Vermont
New Hampshire Community Loan Fund

Virginia
Cultivate Charlottesville
Virginia Organizing
Virginia Poverty Law Center

West Virginia
West Virginia Center on Budget and Policy

Wisconsin
Land Stewardship Project
Midwest Farmers of Color Collective
Renewing the Countryside