



DCUC
DEFENSE CREDIT UNION COUNCIL

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Jason Stverak
Chief Advocacy Officer

February 4, 2025

The Honorable Roger Williams
Chairman
Small Business Committee
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Williams,

On behalf of the Defense Credit Union Council (DCUC), representing credit unions dedicated to serving our nation's military personnel and their families, I am writing to express our strong support for your recently introduced bill aimed at repealing Section 1071 of the Dodd-Frank Act.

DCUC represents credit unions stateside and overseas serving military and veteran communities as well as their families, encompassing over 40 million members and having over \$525 billion in assets.

Section 1071 mandates the collection and reporting of extensive small business lending data to the Consumer Financial Protection Bureau (CFPB). While the intent to ensure fair lending practices is commendable, the implementation of this rule presents several significant challenges:

Regulatory Burden: The rule imposes complex data collection requirements on financial institutions, including the gathering of up to 81 data fields per loan application. This extensive data collection surpasses the 13 data points originally mandated by Congress, leading to increased operational complexities and costs.

Increased Costs: Compliance with these requirements necessitates substantial investments in technology, staff training, and data management systems. These costs are particularly burdensome for smaller institutions and may ultimately be passed on to small business borrowers, potentially reducing their access to affordable credit.

Privacy Concerns: The rule requires the collection of sensitive personal and demographic information, raising concerns about the privacy and security of small business owners' data. The potential for data breaches or misuse could undermine trust between lenders and borrowers.

Deterrence of Lending Activities: The increased regulatory burden and associated costs may discourage financial institutions from engaging in small business lending, particularly in underserved communities. This outcome would be counterproductive to the goal of promoting economic growth and supporting small businesses.

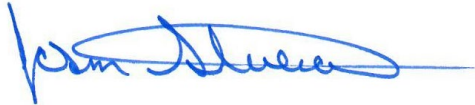
Serving Those Who Serve Our Country

By repealing Section 1071, your bill seeks to alleviate these challenges, enabling financial institutions to better serve small businesses without the encumbrance of onerous regulatory requirements. This legislative action aligns with the DCUC's commitment to supporting the financial well-being of our military communities and the small businesses that contribute to their vitality.

We commend your leadership on this critical issue and stand ready to assist in advancing this important legislation.

Should you or your team have any questions or desire additional information, please do not hesitate to contact me at 202.557.8528 or by email at jstverak@dcuc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Stverak", with a long horizontal flourish extending to the right.

Jason Stverak
Chief Advocacy Officer
DCUC