

The Honorable Sherrod Brown  
Chairman  
U.S. Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Debbie Stabenow  
Chairwoman  
U.S. Senate Committee on Agriculture, Nutrition, & Forestry  
328A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Tim Scott  
Ranking Member  
U.S. Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable John Boozman  
Ranking Member  
U.S. Senate Committee on Agriculture, Nutrition, & Forestry  
328A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Patrick McHenry  
Chairman  
U.S. House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Glenn "GT" Thompson  
Chairman  
U.S. House Agriculture Committee  
1301 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
U.S. House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable David Scott  
Ranking Member  
U.S. House Agriculture Committee  
1301 Longworth House Office Building  
Washington, D.C. 20515

July 17, 2023

**RE: Support for CFPB Section 1071 Rule and Opposition to Congressional Review Act to Overturn 1071 Rule**

Dear Chairwoman Stabenow, Ranking Member Boozman, Chairman Thompson, Ranking Member Scott, Chairman Brown, Ranking Member Scott, Chairman McHenry, and Ranking Member Waters,

**We, the 67 undersigned organizations, write to express strong support for the Consumer Financial Protection Bureau (CFPB)'s Section 1071 rule on Small Business Lending Data Collection under the Equal Credit Opportunity Act, and also to express strong opposition to any Congressional Review Act resolutions that would overturn CFPB Rule 1071.**

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 by Dodd-Frank. 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 impacts of lending, including agricultural lending, on-the-ground, and ultimately inform policy that is good 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 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 and many **Farm Credit System lenders already collect home loan borrower demographics** as required under the Home Mortgage Disclosure Act.

### **Why Agricultural Lending Data is Critical**

Creating effective and fair policy requires data. To help ensure collection of more robust data, it is critical that agricultural lenders — including those regulated by the Farm Credit Administration, whose mission is to “ensure that Farm Credit System institutions and Farmer Mac are safe, sound, and dependable sources of credit and related services for all creditworthy and eligible persons in agriculture and rural America”<sup>1</sup> — participate in demographic reporting.

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 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.”<sup>2</sup>

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<sup>1</sup> *About Us*. Farm Credit Administration. <https://www.fca.gov/about/about-fca>

<sup>2</sup> 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>

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.” The precipitous decline is due in-part to historical lack of access to credit for Black farmers from agricultural lenders. Yet, the absence of data collection requirements make evaluation challenging in the extreme.
- Census Bureau 2019; USDA 2019: 90% of land accumulated by Black Farmers has been lost, and even though Black, Indigenous and other People of Color 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

Additionally, we also **oppose H.R. 2423, the Farm Credit Administration Independent Authority Act**, which would exempt the Farm Credit Administration from the CFPB Section 1071 rule.

### **Conclusion**

The undersigned organizations urge you to support the Consumer Financial Protection Bureau’s strong support for the Consumer Financial Protection Bureau (CFPB)’s Section 1071 rule on Small Business Lending Data Collection under the Equal Credit Opportunity Act, and also to express strong opposition to any Congressional Review Act resolutions that would overturn CFPB Rule 1071.

Sincerely,

### **National Organizations**

American Society for the Prevention of Cruelty to Animals  
Americans for Financial Reform  
Campaign for Family Farms and the Environment  
CDFI Coalition  
Center for Responsible Lending & Self-Help  
Consumer Federation of America  
Farm Aid  
Farms to Grow, Inc.  
Fair Food Network  
Food Animal Concerns Trust

Food Culture Collective  
Friends of the Earth  
HEAL (Health, Environment, Agriculture, Labor) Food Alliance  
Health Care Without Harm  
National Association for Latino Community Asset Builders  
National Black Food and Justice Alliance  
National Community Reinvestment Coalition (NCRC)  
National Family Farm Coalition  
National LGBTQ Task Force  
National Sustainable Agriculture Coalition  
National Young Farmers Coalition  
North American Marine Alliance  
Not Our Farm  
Opportunity Finance Network  
Organic Farming Research Foundation  
Pesticide Action Network North America  
Real Food Media  
Revolving Door Project  
Rural Advancement Foundation International-USA (RAFI-USA)  
Rural Coalition  
Sustainable Agriculture and Food Systems Funders  
Union of Concerned Scientists  
Women, Food and Agriculture Network (WFAN)  
Woodstock Institute

**Local/State/Regional Organizations**

*Alabama*

Alabama State Association of Cooperatives

*California*

Avila Fund

California FarmLink

CAMEO (California Association for Micro Enterprise Opportunity)

Feed Black Futures

Rise Economy (formerly California Reinvestment Coalition)

San Diego Food System Alliance

Urban Tilth

*Colorado*

4th World Farm

Nourish Colorado

*Delaware*

Delaware Community Reinvestment Action Council, Inc.

*Florida*

Farmworker Association of Florida

Florida Veterans for Common Sense

*Illinois*

Chicago Food Policy Action Council

*Maine*

Coastal Enterprises, Inc.

Maine Organic Farmers and Gardeners Association

*Massachusetts*

HCC Consulting

Springfield Food Policy Council

*Minnesota*

Appetite For Change

Midwest Farmers of Color Collective

*New Mexico*

Agri-Cultura Cooperative Network

*North Carolina*

American Indian Mothers Inc

Carolina Farm Stewardship Association

Hawk's Nest Healing Gardens, LLC

Toxic Free North Carolina

*New York*

Empire Justice Center

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

Our Core Inc.

Soul Fire Farm

*Ohio*

Ohio Ecological Food and Farm Association

*Pennsylvania*

Pasa Sustainable Agriculture

*South Carolina*

Carolina Farm Stewardship Association

*Virginia*

Cultivate Charlottesville

*West Virginia*

Partner Community Capital

*Wisconsin*

Midwest Farmers of Color Collective