



KANSAS BANKERS ASSOCIATION

December 12, 2025

Consumer Financial Protection Bureau
Comment Intake
1700 G Street NW
Washington, DC 20552

Re: 1071 Reconsideration NPRM, Docket No. CFPB-2025-0040, RIN 3170-AB40

Dear Sir or Madam:

The Kansas Bankers Association (KBA) appreciates the opportunity to comment on the revised proposed reconsideration of the regulation implementing Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The KBA is a nonprofit trade association which has 193 of the 196 Kansas domiciled banks and thrifts in Kansas, as well as 25 of 43 out-of-state chartered banks doing business in the state as members.

Before providing a substantive response, the KBA wishes to emphasize at the outset that making loans to qualified credit applicants is the primary goal of Kansas bankers. Kansas banks are the backbone of every community they serve. Without these banks, the Kansas economy would suffer. Further, every dollar a Kansas bank is required to divert to completing unnecessary government reporting is a dollar that is not available to lend to these communities.

As such, it is the opinion of the Kansas banking industry that Section 1071 impedes small business lending rather than helping.

Regardless, because the Dodd-Frank Act requires some level of small business data collection and reporting, the KBA understands that a rule is required and therefore supports an approach that would capture what we believe to be the original intent of Section 1071, and limit the required data collection and reporting to banks that impact the nation as a whole.

The KBA supports the revised proposal's attempt to narrow the scope of the data collection to core lending products, lenders, and data. The rule's original threshold of covering lenders who completed 100 small business/small agricultural loans in the previous two years clearly went beyond the intent of the law. The revised proposal's attempt to increase the thresholds and reduce the scope of coverage are steps in the right direction, but the KBA believes that such revisions could go further so that Kansas communities are not adversely affected.

Specifically, the KBA's position is as follows:

- 1) The revised proposal would change the definition of a small business from having gross revenue of \$5 million or less (the original rule), to \$1 million or less, which matches the other revenue thresholds for small businesses found in CFPB's Regulation B (pertaining to adverse action). The

KBA supports this proposed change. It is logical to keep the definition of a small business consistent in Regulation B.

- 2) The revised rule would change the definition of a covered transaction from small business or small agricultural loans (the original rule) to just small business loans, specifically exempting agricultural loans and leases, as well as merchant cash advances and small-dollar loans of \$1,000 or less). The KBA supports this proposed change. The very nature of agricultural lending does not correlate to the typical small business loan.
- 3) Finally, the revised proposal would lower the threshold for being subject to Section 1071 data collection and reporting from 100 covered credit transactions in the previous two years to 1,000 (using the new small business loan definition described in #2 above). While this is a step in the right direction, it is the KBA's opinion that the threshold should be higher. A threshold in the range of 2,500-5,000 covered credit transactions, that is tied to an index so that it increases as community bank assets organically grow, would be more appropriate. A threshold of 1,000 would still impact traditional community banks in Kansas that are not the core small business lenders that impact the nation as a whole and divert their limited resources to unnecessary data collection and reporting, rather than making loans to the communities they serve.

Once again, we appreciate the efforts made by the CFPB to limit Section 1071 data collection and reporting requirements to core lenders and the opportunity that has been provided to submit comments. The KBA absolutely supports the efforts of the CFPB but believes that the suggested modifications set forth above would be even more beneficial to Kansas communities. If you have any questions or concerns regarding the above, please feel free to contact the undersigned at 785-232-3444.

Respectfully,

Douglas E. Wareham, President & CEO
Kansas Bankers Association

Terri D. Thomas, JD-EVP, Legal Services Director
Kansas Bankers Association