



News

Vaishali Rao Discusses CFPB's Proposed New Data Collection Regime for Small Business Lenders

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Hinshaw attorney Vaishali Rao was quoted in *Law360* in a report about the Consumer Financial Protection Bureau's (CFPB) proposed new rulemaking that would require a wide range of financial institutions to provide demographic, pricing and other information on credit they provide to small businesses.

Rao flagged the CFPB's proposed adoption of a data collection template - on race, ethnicity, and sex of applicants – that is based on the Home Mortgage Disclosure Act. She questioned how worthwhile this fill-in-the-blank requirement will be at a time when more small business lending is moving online, where there is far less face-to-face interaction between financial institutions and their customers. In those cases, the proposal would allow a lender to leave missing owner demographics as a nonresponse.

"I don't think [the proposed rules keep] up with the ways that people are getting loans," Rao said. "There often is no visual observation anymore, and you can't force somebody to self-identify this [demographic information]. I wonder how accurate some of this data will be because of changes in how loans are being provided."

[Read the full article on the *Law360* website](#) (*subscription required*)

"4 Points To Watch In CFPB's Small Biz Lending Data Proposal " was published by *Law360*, September 3 , 2021.

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