

CFPB Issues Scaled-Back Proposed Rule to Implement Section 1071 of Dodd-Frank

Alert

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The Consumer Financial Protection Bureau (CFPB) has released a [new proposed rule](#) to implement Section 1071 of the Dodd-Frank Act. The proposal significantly narrows the scope of data small business lenders would be required to collect compared to the CFPB's 2023 final rule. Comments on the proposed rule are due December 15, 2025.

KEY THEMES IN THE PROPOSAL

The CFPB explains that a streamlined approach is intended to limit disruptions to small business credit markets and improve the reliability of collected data. The proposed rule therefore focuses on core products, core providers and core data points, scaling back several of the discretionary elements included in earlier rulemakings.

NOTABLE CHANGES FROM PRIOR 1071 RULEMAKINGS

The proposed rule would:

- Revise the definition of "small business" as a business with \$1 million or less in gross annual revenue for the preceding fiscal year.
- Eliminate multiple discretionary data fields that are not expressly required under Section 1071.
- Establish a single compliance deadline of January 1, 2028, for covered financial institutions that originated 1,000 or more covered credit transactions in both 2026 and 2027.

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REGULATORY AND LITIGATION CONTEXT

The CFPB's earlier Section 1071 rules remain the subject of active litigation by industry trade groups. Separately, in an unrelated filing, the U.S. Department of Justice noted that the CFPB anticipates exhausting its existing funding in early 2026—adding additional uncertainty around the agency's longer-term operational and rulemaking capacity.

WHAT'S NEXT

Stinson LLP is closely monitoring developments relating to the proposed rule, the ongoing litigation, and the agency's operational outlook. For more information on the proposed rule or how it may affect your lending program, please contact [Matthew Grimaldi](#), Anastasia Stull, [Heidi Wicker](#) or the Stinson LLP contact with whom you regularly work.

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