

The End of Section 1071 as We Know It: CFPB to Reopen Rulemaking

Alert

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By Anastasia Stull & Matthew Grimaldi

In a recent [filing](#) in the U.S. District Court for the Southern District of Florida, the Consumer Financial Protection Bureau (CFPB) disclosed that its new leadership has directed staff to initiate a fresh rulemaking process for the small business lending data collection rule required under Section 1071 of the Dodd-Frank Act (1071 Rule). According to the CFPB, a new Notice of Proposed Rulemaking is expected “as expeditiously as reasonably possible.”

The CFPB stated in the filing:

“New leadership has been assessing the Final Rule and the issues that this case presents to determine the CFPB’s position. CFPB’s new leadership has directed staff to initiate a new Section 1071 rulemaking. The CFPB anticipates issuing a Notice of Proposed Rulemaking as expeditiously as reasonably possible. Because the anticipated rulemaking process may moot or otherwise resolve this litigation, holding this matter in abeyance would conserve the Court’s resources.”

This statement suggests that the CFPB may revise or replace the current 1071 Rule, potentially rendering ongoing litigation moot or altering the Bureau’s legal positions in those cases. The CFPB also noted that certain other courts adjudicating challenges to the rule have stayed compliance deadlines, and it argued that a similar stay is appropriate in this matter.

Despite these developments, the statutory requirement under the Dodd-Frank Act for financial institutions to collect certain data when extending credit to small businesses remains in effect. Current litigation stays apply only to the parties involved in those cases. As a result, high-volume lenders not covered by such stays remain subject to the existing compliance schedule, which includes a data collection

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start date of July 18, 2025, and a data reporting deadline of June 1, 2026.

Separately, the House Financial Services Committee recently advanced H.R. 976, a [bill](#) that would repeal the statutory mandate for small business lending data collection under Section 1071. The bill is now under consideration by the House of Representatives.

We are continuing to monitor developments related to the 1071 Rule, including ongoing litigation, legislative efforts, and any forthcoming rulemaking activity.

CONTACTS

Matthew Grimaldi

Anastasia D. Stull

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