

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Equal Credit Opportunity Act to provide for an effective date and a temporary safe harbor for compliance with certain small business lending data collection rules, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HILL of Arkansas introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Equal Credit Opportunity Act to provide for an effective date and a temporary safe harbor for compliance with certain small business lending data collection rules, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Lenders Exempt
5 from New Data and Excessive Reporting Act” or the
6 “Small LENDER Act”.

1 **SEC. 2. SMALL BUSINESS LOAN DATA COLLECTION.**

2 Section 704B of the Equal Credit Opportunity Act
3 (15 U.S.C. 1691c–2) is amended—

4 (1) in subsection (c)—

5 (A) by striking “Any applicant” and in-
6 serting the following:

7 “(1) IN GENERAL.—Any applicant”;

8 (B) by striking the period at the end and
9 inserting the following: “, and the financial in-
10 stitution may, when requesting such informa-
11 tion, inform the applicant in writing that—

12 “(A) the Bureau of Consumer Financial
13 Protection requires the financial institution to
14 ask, collect, and report such information to the
15 Federal Government annually pursuant to sec-
16 tion 704B of the Equal Credit Opportunity Act
17 (15 U.S.C. 1691c–2);

18 “(B) the applicant is not required to pro-
19 vide such information; and

20 “(C) the applicant’s response will not af-
21 fect the financial institution’s evaluation of the
22 request for credit.

23 “(2) MODEL FORM.—The Director of the Bureau of
24 Consumer Financial Protection shall establish a model
25 form to be used in providing the information required to

1 be provided to an applicant under paragraph (1). Such
2 form shall—

3 “(A) be in plain English; and

4 “(B) to the extent practicable, be no longer
5 than a single page.”;

6 (2) by striking subsection (d);

7 (3) by redesignating subsections (e), (f), (g),
8 and (h) as subsections (d), (e), (f), and (g), respec-
9 tively; and

10 (4) in subsection (d), as so redesignated—

11 (A) in paragraph (2)—

12 (i) by striking subparagraphs (C),
13 (G), and (H);

14 (ii) by redesignating subparagraphs
15 (D), (E), and (F) as subparagraphs (C),
16 (D), and (E), respectively;

17 (iii) in subparagraph (D), as so redesi-
18 gnated, by adding “and” at the end; and

19 (iv) in subparagraph (E), as so redesi-
20 gnated, by striking the semicolon and in-
21 serting a period;

22 (B) in paragraph (3), by striking “para-
23 graph (1)(E)” and inserting “paragraph
24 (1)(D)”;

25 (C) by adding at the end the following:

1 “(5) PROHIBITION ON INFORMATION NOT RE-
2 PORTED BY AN APPLICANT.—A financial institution
3 may not compile and maintain information described
4 under subsection (b) that was determined by the fi-
5 nancial institution using visual observation or any
6 other manner other than being provided by an appli-
7 cant.”.

8 (5) in subsection (f), as so redesignated, by
9 adding at the end the following:

10 “(4) INITIAL COMPLIANCE DATE.—

11 “(A) IN GENERAL.—The Bureau may not
12 require a financial institution to comply with
13 this section, or any rule issued under this sec-
14 tion, until June 1, 2031.

15 “(B) SAFE HARBOR.—The Bureau may
16 not enforce compliance with the requirements of
17 this section during the 2-year period beginning
18 on the date described in subparagraph (A).

19 “(5) EXEMPTION FOR SMALL FINANCIAL INSTI-
20 TUTIONS.—A financial institution is exempt from
21 the requirements of this section if the financial insti-
22 tution—

23 “(A) in each of the 2 previous calendar
24 years, originated less than 2,500 credit trans-
25 actions for small businesses; or

1 “(B) has less than \$10,000,000,000 in as-
2 sets.

3 “(6) TREATMENT OF RESPONSE RATE.—The
4 percentage of applicants providing a financial insti-
5 tution with the information described under sub-
6 section (b) may not be used as a factor in deter-
7 mining whether a financial institution is in compli-
8 ance with the requirements under this section.”; and
9 (6) in subsection (g), as so redesignated, by
10 striking paragraph (2) and inserting the following:

11 “(2) SMALL BUSINESS.—The term ‘small busi-
12 ness’ means any entity with gross annual revenues
13 of \$1,000,000 or less in the most recently completed
14 fiscal year.”.