

# Sweeping changes coming to small business lending

**Section 1071 of the Dodd-Frank Act** required the Consumer Financial Protection Bureau (CFPB) to incorporate new small business data collection requirements as part of the federal Equal Credit Opportunity Act (ECOA).

On March 30, 2023, the CFPB issued its long awaited final small business lending rule ushering in new wide-ranging impacts on commercial small business lenders.

Compliance with the new small business lending rule may be required as early as October 1, 2024 for larger institutions, with compliance required later for smaller institutions.

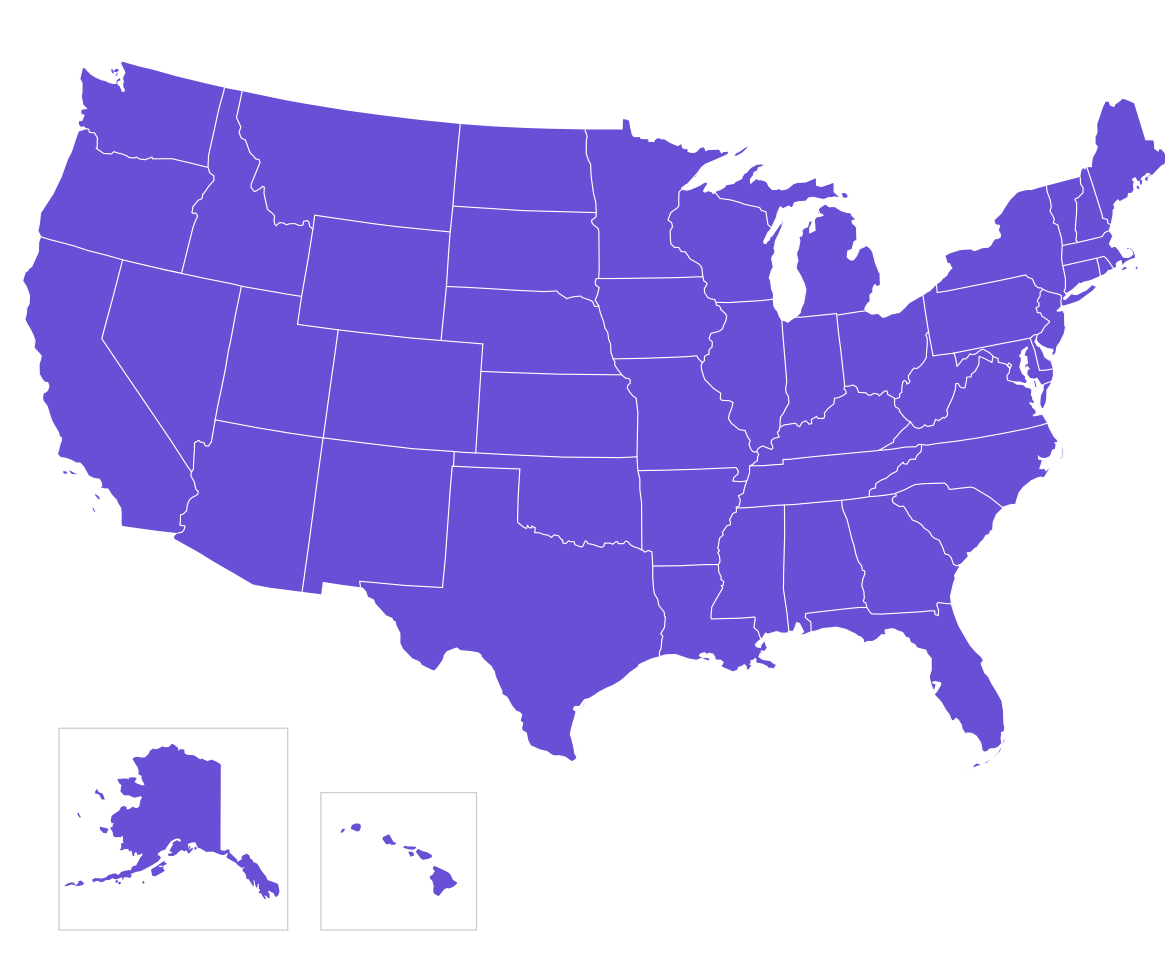
Get started understanding what the new small business lending rule will require and how Finastra has your back by visiting Finastra's [Small Business Lending Rule page](#).

**Will the Section 1071 small business lending rule apply to me?**



## How will the small business lending rule impact your financial institution?

The small business lending rule requirements will have a wide-ranging impact on commercial small business lenders. The time to start preparing is now.



- Data collection and reporting**  
Financial institutions need to invest in systems and processes to collect, maintain, and report the required data.
- Training and education**  
Financial institutions must educate their employees on the new requirements and provide training to ensure proper implementation.
- Increased compliance costs**  
Financial institutions may face increased compliance costs due to the need for additional resources, staff, and technology to meet the small business lending rule requirements.
- Reputational Risks**  
Failure to understand your small business lending data could result in reputational damage, impacting an institution's relationships with customers and stakeholders.

## What will ECOA small business lending rule require?

© Hover over the icons to learn more about the impact of the 1071 Ruling on your institution



- Collect and compile data
- Annual reporting
- Data firewall
- Data validation

## What is Finastra doing to help you address the small business lending rule?

Finastra is committed to helping financial institutions stay compliant and control costs amid evolving regulations. To assist you in managing the new small business lending rule's requirements, we're developing an effective new solution with all the bells and whistles needed to support a compliant and efficient data collection workflow which will include:

- Covered transaction guidance
- Structured data collection with reuse of data already collected
- Data validation to the CFPB Filing Instructions Guide (FIG) requirements
- Assistance in firewalling of select data
- The ability to email requests for demographic information to the applicant for online completion
- Aggregated annual reporting
- Powerful analytics to help you gain valuable insights into your institution's small business data

## Time to act

Finastra's new small business lending solution will provide seamless integration into existing Finastra retail lending products, including LaserPro, DecisionPro, CreditQuest and Originate, to provide you with a single solution to address all your small business lending rule needs.

To learn more about the CFPB's new small business lending rule's requirements [please visit Finastra's website](#). There you'll find FAQs about the rule, a worksheet for your institution to determine if the small business lending rule might apply, and more about Finastra's new solution.



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