

CFPB 1071 Final Rule Issued on Small Business Lending Reporting Requirements

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On Friday, May 1, the Consumer Financial Protection Bureau (CFPB) issued a [long-awaited final rule implementing Section 1071](#) of the Consumer Financial Protection Act (CFPA), which addresses required reporting on certain small business loans.

The revised compliance date will be January 1, 2028. The original final rule on Section 1071 was issued May 31, 2023, but was successfully challenged in court. Two interim final rules have extended the compliance date, one issued in July 2024 and the second in June 2025.

Largely focused on narrowing the focus of the original rule, this final rule makes the following changes:

- Excludes merchant cash advances, agricultural lending and small dollar loans from the definition of **covered credit transactions**, which serves the goal of focusing on “lending products most likely to be foundational to small businesses’ formation and operation”;
- Excludes Farm Credit Service lenders;
- Raises the threshold for covered financial institutions to those who originate 1000 or more loans in a twelve-month period (up from 100);
- Limits the coverage of the rule to truly small businesses, meaning those that have a gross annual revenue of \$1 million or less; and
- Limits the data points required to be collected to those that are “consistent with other executive agency directives concerning the collection of demographic data.”

All of these changes mean that the pool of loans that will be reported on will be much smaller and therefore much more easily handled by the financial institutions that are covered by the rule.