

# 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.

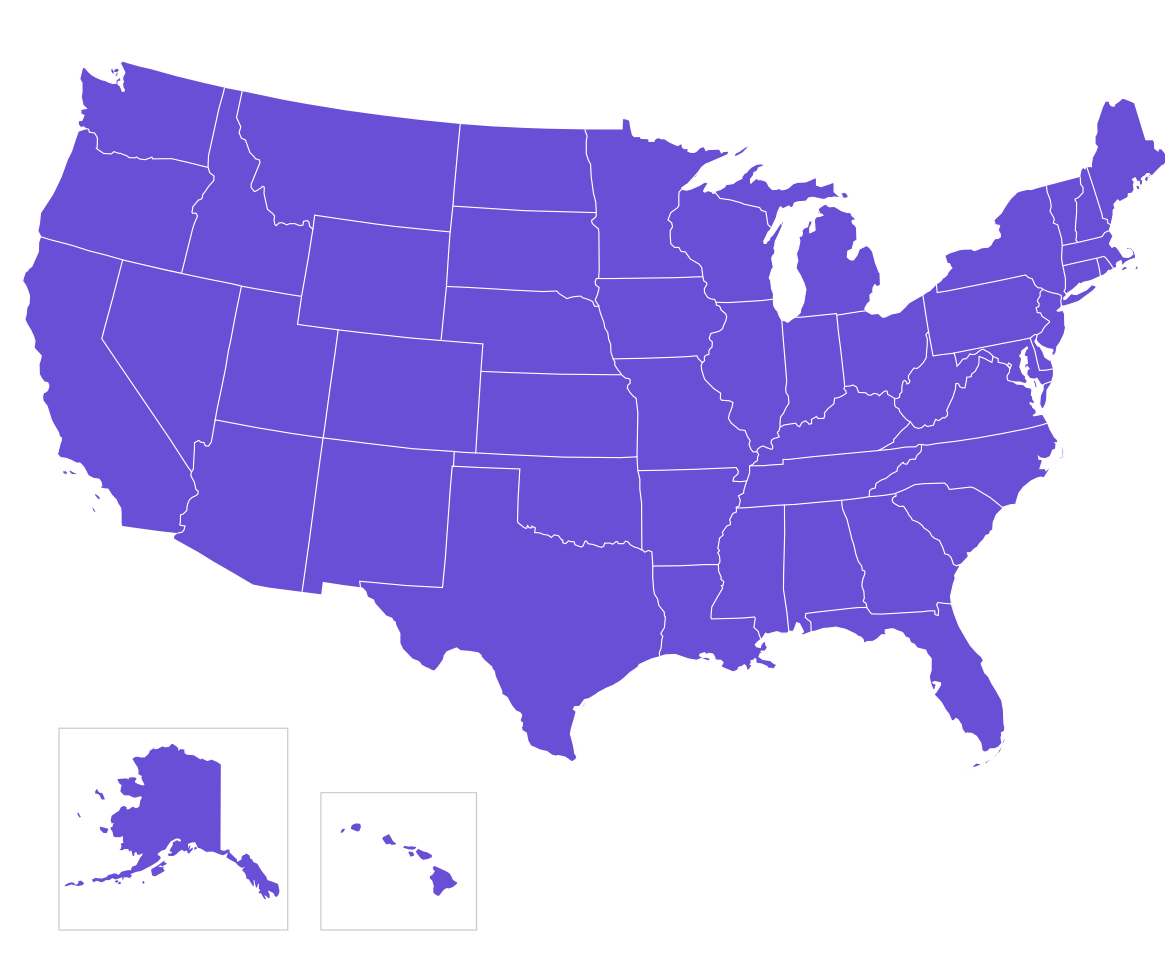
Compliance with the new small business lending rule is required as early as July 18, 2025 for larger institutions, with compliance required later for smaller institutions.

Get started understanding what the new small business lending rule will require and how Finastra's Small Business Data Collection module will help you conveniently collect, validate, and submit data to the CFPB.



## 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

What you will be required to do

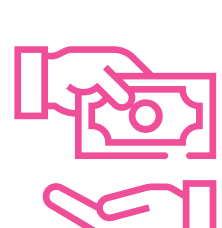
Collect and compile data

Annual reporting

Data firewall

## 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've developed an effective new module with all the bells and whistles needed to support a compliant and efficient data collection workflow which features:



Covered transaction guidance



Automatically checks for reusable data based on ECOA's requirements when creating new records



Structured data collection with automated validations according to the CFPB's Filing Instructions Guide



Assistance in firewalling sensitive applicant data



The ability to email requests for demographic information to the applicant for online completion



Aggregated annual reporting

## Time to act

Finastra's new small business lending solution provides seamless integration into existing Finastra retail lending products, including LaserPro, DecisionPro, CreditQuest and Originate, providing 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 and more about Finastra's new solution.



Finastra unlocks innovation across the world of financial services, through our trusted software and open platform. To find out more, visit [finastra.com](#)