



Hopefully, by now, you have determined the number of Section 1071 covered transactions your Bank has made in the preceding two years to evaluate which Compliance Date Tier applies to your Bank.

We have found that most of CCI's clients fall into the Tier 3 category having at least 100 covered originations in both 2022 and 2023 but not 500 or more covered originations in both 2022 and 2023. This means beginning data collection on January 1, 2026, and reporting on June 1, 2027.

With your compliance date in mind, a covered financial institution must have procedures reasonably designed to collect applicant-provided data, including the number of the applicant's principal owners. The 1071 Rule guidance has grouped the operational data collection and reporting tasks into four "Primary Tasks." These four groupings are Data Collection, Reporting and Resubmission, Compliance and Internal Audits, and Section 1071 Related Exams.

We have compiled a list of suggestions to help you as you navigate these four sections and prepare your 1071 Data Collection Procedures.

1. The Bank must update your written procedures with the Data Collection process you will use. These should include:

- The categories of data points to collect
- Who will be collecting the various data points
- Who will be inputting the collected data points into the Operating Systems

2. Data points you want to include for Credit Applications:

- Credit Type
- Credit Purchase
- Amount Applied for
- Amount Approved or Originated
- Denial Reasons (if applicable)

- Pricing Information

3.Data Points you want to include for Business Applications:

- Census Tract
- Gross Annual Revenue
- NAICS Code
- Number of Workers
- Applicant's Time in Business
- Number of Principle Owners of Applicant
- Minority or Women-Owned Business
- Ethnicity
- Race
- Sex

4.Data Points Required for all Applications:

- Unique Identifier
- Application Date
- Application Method
- Application Recipient
- Action Taken
- Action Taken Date

Once the 1071 data is imported into the reporting software, verified, and scrubbed, it should then be submitted to the CFPB as required.

CCI suggests you forward this information to your Compliance and Lending staff to help with your Bank's Section 1071 procedures. As always, CCI is happy to help with any compliance-related questions.