

January 6, 2022

Director Rohit Chopra
Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552

Re: Comment on Proposed Rule “Small Business Lending Data Collection under the Equal Credit Opportunity Act”, Docket No. CFPB-2021-0015

Dear Director Chopra:

The following undersigned farmers, food justice organizations, conservation groups, community-based organizations, and mission-driven lenders support the Consumer Financial Protection Bureau’s (CFPB) proposal to gather data and demographics on farm lending activity by financial institutions, including government-lending entities. The challenges Black Farmers face in gaining equal access to credit, or any credit at all, from public and private lenders spans over a century, yet there is still not any systematic way of ensuring lenders are held accountable for their unequal treatment. This proposal rule is a significant step forward to ensure this accountability.

The CFPB’s proposal correctly notes that “the share of minority representation in farming, particularly that of Black Farmers, has declined sharply over the last 100 years...Based on the disposition of numerous lawsuits alleging discrimination against minority farmers, the Bureau believes that credit discrimination may play a role in this decline.” This connection between credit discrimination and land loss is well-documented, for example, in a [1982 report](#) by the U.S. Commission on Civil Rights on the Decline of Black Farming in America, detailing the numerous connections dating back to the late 1800s between discriminatory farm lending practices and Black land loss.

Present-day lending practices are rooted in this legacy, as many farmers continue to face barriers in seeking access to fair credit on fair terms. This history runs so deep in some local communities that Black Farmers do not even walk in the doors of certain financial institutions, or if they do decide to seek credit, they are discouraged during the application process. Even decisions that appear to be racially-neutral on their face, in fact, still disproportionately result in adverse outcomes for Black Farmers. For example, barriers include underwriting decisions based on the types of farm, the business structure, land appraisals, and others, which diminish the availability of the credit Black Farmers are seeking. As such, the CFPB's proposal to require lenders to report on the outcome of their lending decisions by race and other demographics will highlight the racially disparate impact of their decision-making.

For the CFPB to ensure that lenders treat farmers with similar credit history fairly, regardless of race, it must also require lenders to report credit scores. Failure to provide this critical information will allow lenders to continue to provide a myriad of excuses for not lending to creditworthy Black Farmers on the same terms as similarly or more poorly situated white farmers.

The Consumer Financial Protection Bureau’s proposal requiring lenders to report on the race, gender, and other demographics of small businesses seeking agricultural loans, along with information about

denial rates, approval rates, and loan terms, is a significant step forward in shining a light on – and hopefully preventing – unfair lending practices that have persisted for far too long.

Sincerely,

African American Alliance of CDFI CEOs Inc. – Orlando, FL
Black Belt Justice Center – Washington D.C.
Bountiful Cities – Asheville, NC
Buffalo River Watershed Alliance – Jasper, AR
CHEP, Inc. – Tulsa, OK
Communities Unlimited, Inc. – Fayetteville, AR
Family Farm Action Alliance – Blairsville, GA
Farm Aid – Cambridge, MA
Farm Plug Industries – Chicago, IL
Food Animal Concerns Trust – Chicago, IL
Friends of the Earth, U.S. – Washington D.C
Green Oak Farm – Albany, GA
Hope Policy Institute – Jackson, MS
HYSSOP Housing Inc. – New Brunswick, NJ
Institute for Agriculture and Trade Policy – Minneapolis, MN
Land for Good – Keene, NH
Lots of Food Louisville & Food in Neighborhoods – Louisville, KY
National Sustainable Agriculture Coalition – Washington D.C.
Mississippi Minority Farmers Alliance – Okolona, MS
Opportunity Finance Network – Washington D.C.
Public Justice – Washington D.C.
Rural Advancement Fund of the National Sharecroppers Fund, Inc – Orangeburg, SC
Slow Food New York City – New York, NY
Sol House Greenery – Wichita, KS
Southern Economic Advancement Project – Decatur, GA
Spring of Light – Fairfax, VA
The Common Market – Philadelphia, PA
The Farmers B.A.G. – Clayton, NC
Triangle Land Conservancy – Durham, NC
Two G Ranch, LLC – Kentwood, LA