



January 15, 2024

SENATE FAILS TO OVERRIDE PRESIDENT'S VETO OF SMALL BUSINESS DATA LENDING RULE RESOLUTION

The Senate failed to override President Biden's veto of the joint Congressional resolution of disapproval of the CFPB's Section 1071 rule ("Rule"). The Rule, known as 1071 for its section in the Dodd-Frank Act, is currently on hold pending the outcome of a Supreme Court case challenging the constitutionality of the CFPB's funding based on decisions in Texas and Kentucky. *See our ALERTS [Oct. 27, 2023](#); [Aug 1, 2023](#).* The Rule implements the small business data collection and reporting requirements in the Dodd-Frank Act.

The Senate voted earlier to overturn Section 1071 using the Congressional Review Act. Three Democrats (and two Independents who caucus with Democrats) joined in the vote with Republicans, to pass the resolution 55-43. At the time the resolution was passed, it was known that the President would veto it and that the Senate did not have the votes to override the veto.

We will continue to monitor the status of the Rule and the injunctions in Texas and Kentucky and the U.S. Supreme Court's decision. The Supreme Court is expected to issue a final decision on the funding case in spring 2024. □

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