

Union Calendar No. 101

117TH CONGRESS
1ST SESSION

H. R. 4481

[Report No. 117-141]

To amend the Small Business Act to establish requirements for 7(a) agents,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2021

Mr. PHILLIPS (for himself and Mr. MEUSER) introduced the following bill;
which was referred to the Committee on Small Business

OCTOBER 12, 2021

Additional sponsors: Mr. DONALDS, Ms. TENNEY, Mr. GARBARINO, Ms. VAN
DUYNE, and Ms. SALAZAR

OCTOBER 12, 2021

Reported from the Committee on Small Business; committed to the Committee
of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Small Business Act to establish requirements
for 7(a) agents, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business 7(a)
5 Loan Agent Transparency Act”.

6 **SEC. 2. REQUIREMENTS FOR 7(a) AGENTS.**

7 (a) OFFICE OF CREDIT RISK MANAGEMENT DU-
8 TIES.—Section 47(b) of the Small Business Act (15
9 U.S.C. 657t(b)) is amended—

10 (1) in paragraph (2), by striking “and” at the
11 end;

12 (2) in paragraph (3), by striking the period and
13 inserting a semicolon; and

14 (3) by adding at the end the following new
15 paragraph:

16 “(4) any 7(a) agent.”.

17 (b) ENFORCEMENT AUTHORITY.—

18 (1) OFFICE OF CREDIT RISK MANAGEMENT.—
19 Section 47(e) of the Small Business Act (15 U.S.C.
20 657t(e)) is amended by inserting “or 7(a) agent”
21 after “7(a) lender” each place such term appears.

22 (2) LENDER OVERSIGHT COMMITTEE.—Section
23 48(c)(2) of the Small Business Act is amended by
24 striking “and any Lending Partner or Intermediary
25 participant” and inserting “, any 7(a) agent (as de-

1 fined in section 47), or any Lending Partner or
2 Intermediary participant”.

3 (c) REGISTRATION SYSTEM.—Section 47 of the Small
4 Business Act (15 U.S.C. 657t) is amended by adding at
5 the end the following new subsections:

6 “(j) REGISTRATION SYSTEM FOR 7(a) AGENTS.—

7 “(1) IN GENERAL.—The Director shall establish
8 a registration system for 7(a) agents that assigns a
9 unique identifier to each 7(a) agent and collects data
10 necessary for the Director to submit the report re-
11 quired under paragraph (4).

12 “(2) REQUIREMENTS.—A 7(a) agent shall—

13 “(A) register in the system established
14 under paragraph (1) before providing covered
15 services to a lender or applicant; and

16 “(B) effective 1 year after the date of the
17 enactment of this subsection, submit an annual
18 fee for such registration to the Director.

19 “(3) DATABASE.—The Director shall establish
20 and maintain an electronic database of the types of
21 covered services provided by each 7(a) agent.

22 “(k) DEFINITIONS.—In this section:

23 “(1) 7(a) AGENT.—The term ‘7(a) agent’
24 means a person who provides covered services on be-
25 half of a lender or applicant.

1 “(2) COVERED SERVICES.—The term ‘covered
2 services’ means—

3 “(A) assistance with completing an appli-
4 cation for a loan under section 7(a) (including
5 preparing a business plan, cash flow projec-
6 tions, financial statements, and related docu-
7 ments); or

8 “(B) consulting, broker, or referral services
9 with respect to a loan under section 7(a).”.

10 (d) EFFECTIVE DATE.—This Act and the amend-
11 ments made by this Act shall take effect 6 months after
12 the date of the enactment of this Act.

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