

117<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4531

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 3, 2021

Received; read twice and referred to the Committee on Small Business and  
Entrepreneurship

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## AN ACT

To amend the Small Business Act to require a report on  
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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “7(a) Loan Agent Over-  
3 sight Act”.

4 **SEC. 2. REPORT ON 7(a) AGENTS.**

5 Section 47 of the Small Business Act (15 U.S.C.  
6 657t) is amended by adding at the end the following new  
7 subsection:

8 “(j) ANNUAL REPORT.—

9 “(1) IN GENERAL.—The Director shall submit  
10 to Congress, in addition to the report required under  
11 subsection (h)(2), an annual report including, for  
12 the calendar year covered by the report—

13 “(A) the number of 7(a) agents assisting  
14 applicants for loans under section 7(a),  
15 disaggregated by 7(a) agents who are attorneys,  
16 accountants, consultants, packagers, and lender  
17 service providers (as defined by section 103.1 of  
18 title 13, Code of Federal Regulations);

19 “(B) the number of fraudulent loans made  
20 for which an applicant used services of a 7(a)  
21 agent;

22 “(C) the purchase rate by the Adminis-  
23 trator of loans for which an applicant used  
24 services of a 7(a) agent;

25 “(D) the number and aggregate dollar  
26 value of referral fees paid to 7(a) agents,

1 disaggregated by whether the applicant or 7(a)  
2 lender paid such fees;

3 “(E) without identifying individual 7(a)  
4 agents by name, a consolidated analysis of the  
5 risk created by the individual 7(a) agents re-  
6 sponsible for not less than 1 percent of—

7 “(i) the dollar value of loans made  
8 with the assistance of 7(a) agents; and

9 “(ii) the number of loans made with  
10 the assistance of 7(a) agents;

11 “(F) an analysis of interest rates on loans  
12 for which an applicant or 7(a) lender used serv-  
13 ices of an agent; and

14 “(G) a description of how the Adminis-  
15 trator communicates with 7(a) agents.

16 “(2) DEFINITIONS.—In this subsection:

17 “(A) 7(A) AGENT.—The term ‘7(a) agent’  
18 means a person who provides covered services  
19 on behalf of a lender or applicant.

20 “(B) COVERED SERVICES.—The term ‘cov-  
21 ered services’ means—

22 “(i) assistance with completing an ap-  
23 plication for a loan under section 7(a) (in-  
24 cluding preparing a business plan, cash

1 flow projections, financial statements, and  
2 related documents); or

3 “(ii) consulting, broker, or referral  
4 services with respect to a loan under sec-  
5 tion 7(a).”.

Passed the House of Representatives November 2,  
2021.

Attest: CHERYL L. JOHNSON,  
*Clerk.*