IB

Union Calendar No. 104

117TH CONGRESS
1ST SESSION

H. R. 4531

[Report No. 117–144]

To amend the Small Business Act to require a report on 7(a) agents, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2021

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

OCTOBER 12, 2021

Additional sponsor: Ms. VAN DUYNE

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 require a report on 7(a) agents, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "7(a) Loan Agent Oversight Act".

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

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

"(j) ANNUAL REPORT.—

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

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

"(B) the number of fraudulent loans made for which an applicant used services of a 7(a) agent;

"(C) the purchase rate by the Administrator of loans for which an applicant used services of a 7(a) agent;

"(D) the number and aggregate dollar value of referral fees paid to 7(a) agents, disaggregated by whether the applicant or 7(a) lender paid such fees;

"(E) without identifying individual 7(a) agents by name, a consolidated analysis of the risk created by the individual 7(a) agents responsible for not less than 1 percent of—

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

"(ii) the number of loans made with the assistance of 7(a) agents;

"(F) an analysis of interest rates on loans for which an applicant or 7(a) lender used services of an agent; and

"(G) a description of how the Administrator communicates with 7(a) agents.

"(2) DEFINITIONS.—In this subsection:

"(A) 7(A) AGENT.—The term '7(a) agent' means a person who provides covered services on behalf of a lender or applicant.

"(B) COVERED SERVICES.—The term 'covered services' means—

"(i) assistance with completing an application for a loan under section 7(a) (including preparing a business plan, cash flow projections, financial statements, and related documents); or

"(ii) consulting, broker, or referral services with respect to a loan under section 7(a).".

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