

Union Calendar No. 77

118TH CONGRESS
1ST SESSION

H. R. 1651

[Report No. 118–100]

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2023

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

JUNE 5, 2023

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 (15 U.S.C.
 24 657u(c)(2)) is amended by striking “and any Lend-
 25 ing Partner or Intermediary participant” and insert-

1 ing “, any 7(a) agent (as defined in section 47), or
 2 any Lending Partner or 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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