

AMENDMENT TO RULES COMMITTEE PRINT 118-

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OFFERED BY MR. MEUSER OF PENNSYLVANIA

Add at the end of subtitle F of title VIII the following:

1 SEC. 8 ____ . REQUIREMENTS FOR 7(a) AGENTS.

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

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

7 (2) in paragraph (3), by striking the period and
8 inserting “; and”; and

9 (3) by adding at the end the following new
10 paragraph:

11 “(4) any 7(a) agent.”.

12 (b) ENFORCEMENT AUTHORITY.—

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

17 (2) LENDER OVERSIGHT COMMITTEE.—Section
18 48(c)(2) of the Small Business Act (15 U.S.C.

1 657u(e)(2)) is amended by striking “and any Lend-
2 ing Partner or Intermediary participant” and insert-
3 ing “, any 7(a) agent (as defined in section 47), or
4 any Lending Partner or Intermediary participant”.

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

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

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

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

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

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

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

24 “(4) ANNUAL REPORT.—

1 “(A) IN GENERAL.—The Director shall
2 submit to Congress, in addition to the report
3 required under subsection (h)(2), an annual re-
4 port including, for the calendar year covered by
5 the report—

6 “(i) the number of 7(a) agents assist-
7 ing applicants for loans under section 7(a),
8 disaggregated by 7(a) agents who are at-
9 torneys, accountants, consultants, pack-
10 agers, and lender service providers (as de-
11 fined by section 103.1 of title 13, Code of
12 Federal Regulations);

13 “(ii) the number of fraudulent loans
14 made for which an applicant used services
15 of a 7(a) agent;

16 “(iii) the purchase rate by the Admin-
17 istrator of loans for which an applicant
18 used services of a 7(a) agent;

19 “(iv) the number and aggregate dollar
20 value of referral fees paid to 7(a) agents,
21 disaggregated by whether the applicant or
22 7(a) lender paid such fees;

23 “(v) without identifying individual
24 7(a) agents by name, a consolidated anal-
25 ysis of the risk created by the individual

1 7(a) agents responsible for not less than 1
2 percent of—

3 “(I) the dollar value of loans
4 made with the assistance of 7(a)
5 agents; and

6 “(II) the number of loans made
7 with the assistance of 7(a) agents;

8 “(vi) an analysis of interest rates on
9 loans for which an applicant or 7(a) lender
10 used services of an agent; and

11 “(vii) a description of how the Admin-
12 istrator communicates with 7(a) agents.

13 “(k) DEFINITIONS.—In this section:

14 “(1) 7(a) AGENT.—The term ‘7(a) agent’
15 means a person who provides covered services on be-
16 half of a lender or applicant.

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

19 “(A) assistance with completing an appli-
20 cation for a loan under section 7(a) (including
21 preparing a business plan, cash flow projec-
22 tions, financial statements, and related docu-
23 ments); or

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

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

