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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. ______

To amend the Small Business Act to modify the annual report of the Office of Credit Risk Management, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To amend the Small Business Act to modify the annual report of the Office of Credit Risk Management, 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) Program Risk Oversight Act".

SEC. 2. MODIFICATIONS TO ANNUAL REPORT OF THE OFFICE OF CREDIT RISK MANAGEMENT.

(a) IN GENERAL.—Section 47(h) of the Small Business Act (15 U.S.C. 657t(h)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by inserting before the semicolon the following: ", and the program risk set forth separately by the type of loan guaranteed under such section";

(B) by redesignating subparagraphs (D) through (J) as subparagraphs (H) through (N), respectively;

(C) by inserting after subparagraph (C) the following:

"(D) an analysis of the program risk for loans guaranteed under section 7(a), set forth separately for the year covered by the report by such loans with a dollar value of—

"(i) less than or equal to $50,000;

"(ii) greater than $50,000 and less than or equal to $250,000;

"(iii) greater than $250,000 and less than or equal to $350,000;

"(iv) greater than $350,000 and less than or equal to $500,000;

"(v) greater than $500,000 and less than or equal to $1,000,000; and

"(vi) greater than $1,000,000 and less than or equal to $5,000,000;

"(E) an analysis of the program risk for loan guarantees made under section 7(a), set forth separately for the year covered by the report for loans that were originated—

"(i) less than one year before the date of submission of the report;

"(ii) at least one year, but not more than two years before such date; and

"(iii) more than two years before such date;

"(F) an analysis of program risk for loan guarantees made under section 7(a), set forth separately for the year covered by the report for loans that were originated to—

"(i) a borrower that uses such loan to open a business;

"(ii) a borrower not described in clause (i) that is a business concern that has been in operation for less than or equal to two years before the date of origination; and "(iii) a borrower that is a business concern that has been in operation for more than two years on the date of origination;

"(G) an analysis of the program risk for loans made under section 7(a), set forth separately for the year covered by the report for loans that were originated by—

"(i) a bank holding company (as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841));

"(ii) an insured credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752));

"(iii) a State credit union (as defined in such section 101) for which insurance is provided by a private deposit insurer (as defined in section 43(e)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(e)(4)));

"(iv) a small business lending company (as defined in section 3), including a Community Advantage Small Business Lending Company (as defined in section

120.10 of title 13, Code of Federal Regulations (or any successor regulation)); and

"(v) a non-Federally regulated lender;";

(D) in subparagraph (H) (as so redesignated), by striking "subparagraphs (A), (B), and (C)" and inserting "subparagraphs (A) through (G)"; and

(E) by amending subparagraph (J) (as so redesignated) to read as follows:

"(J) the number and total dollar amount of purchases by the Administrator of the principal and interest of loans guaranteed under section 7(a) that are in default, the total dollar amount of collections recovered on such purchases, and the number and total dollar amount of charge-offs for such purchases, set forth separately by the type of institution that originated the loan as described in subparagraph (G);";

(F) in subparagraph (M) (as so redesignated), by striking "and" at the end;

(G) in subparagraph (N) (as so redesignated), by striking the period at the end;

(H) by adding at the end the following new subparagraphs:

"(O) of the enforcement actions described in subparagraphs (K) and (L), the number of such actions taken for fraud;

"(P) of the civil monetary penalties assessed under subparagraph (N), the number of such penalties assessed for fraud;

"(Q) the number and total dollar amount of loans guaranteed under section 7(a) that are between 31 and 59 days past due, deferred, or delinquent, set forth separately by the type of institution that originated the loan as described in subparagraph (G) of this section; and

"(R) the number and total dollar amount of loans guaranteed under section 7(a) that the Administrator has determined to have been made fraudulently, set forth separately by the type of institution that originated the loan as described in subparagraph (G) of this section."; and

(2) by adding at the end the following:

"(3) AVAILABILITY OF REPORT.—The Director shall make available to the public on a website of the Administration the report required under paragraph (2) not later than 7 days after the Director submits such report to Congress.".

(b) TECHNICAL AMENDMENT.—Section 47(d) of the Small Business Act (15 U.S.C. 657t(d)) is amended by striking ‘‘premise’’ each place it appears and inserting ‘‘premises’’.